CREATIVE SOCIALISM

BY

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TO MY FRIEND

ODON POR

FROM WHOM

COMES ANYTHING OF VALUE

IN THE FOLLOWING PAGES

PREFACE

THIS little book is the outcome of an attempt to rescue for English readers an unpublished essay on the meaning and purpose of Syndicalism. It was written early in 1913 by Mr. Odon Por for a Socialist Magazine which was to have been published in England but which never materialised. The attempt to revive the essay in its original form proved impracticable. So much water had run under the bridges since 1913 that an entirely new statement was needed. Syndicalism, moreover, in England had never been a really live issue.

It is very significant that towards the close of the nineteenth century, when the dry bones of Socialism began to be moved upon by a new spirit, the reaction of Labour in England was markedly different from its reaction on the continent and in America. In England Trade Unionism was gaining in strength and vitality, a gain of which the great Dock strike of 1889 was both cause and effect, but it showed no sign of altering in function. The success of the Unions made them all the more determined to proceed along the old lines of

wresting better conditions from their employers, but, with this end in view, they turned their attention more and more to political methods.

The starting of the Independent Labour Party in 1893 marked a definite advance in that direction, an advance which has culminated, thirty years later, in a Labour Party actually in office.

The founders of the I.L.P. must have recognised that they owed their growing strength to industrial action yet they were not impelled to carry industrial action to its logical conclusion. The industrial revolution, in this country had seated the Capitalist too firmly in the saddle. The creative impulse, which was the mainspring of Latin syndicalism had no chance under such an incubus while a traditional confidence in Parliament and a reformed franchise led them to pin their faith, like the Chartists before them, to political action. Keir Hardie and his friends, notwithstanding their splendid enthusiasm for the new party, were true democrats of the Liberal stamp with a profound belief in representative government.

In France and in Italy conditions were different; the logic of events less obscured. Ancient landmarks in custom, character and institutions had not been so completely swept away by the industrial flood, while, on the

other hand Government had been feebler and more corrupt, so that trust in the State—or if one prefers to call it so—a servile attitude towards the State, had not arisen.

And so it came to pass that English Labour, in the grip of High Finance, could do nothing but invoke State aid in fighting the profiteer, while Latin Labour jumped at once to the logical conclusion that the way to get the better of him was to do without him; a conclusion that found spontaneous expression in Syndicalism.

It would of course be untrue to say that Syndicalism was unknown in England. It grew up vigorously enough among the Welsh miners and found able exponents there while Tom Mann carried on a wide and active propaganda. Still it struck no roots in the Trade Union world nor did it cause the thinkers of the Fabian Society to swerve by a hairsbreadth from their collectivist creed.

This little book is an attempt, not to champion Syndicalism, but to show that the spirit that lay behind it is the one and only force that can reconstruct Society.

E. TOWNSHEND.

Wimbledon,
July 1924.

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CREATIVE SOCIALISM

CHAPTER I

THE CREATIVE SPIRIT

THERE has been some controversy as to whether the present Government is or is not Socialist. Like so many other controversies, it turns on the meaning of a word, and, in this case, a word which has passed through several vicissitudes in a short career. It seems to have come first into use to describe the views of Robert Owen's immediate followers, and these views, though firmly founded on justice and humanity, had no hard-and-fast economic tenets. As time went on, the conception of Socialism became enriched by the generous devotion of many noble lives, but schemes of reform were various and fluctuating until they became focussed in the writings of Karl Marx. His theory of progress has found many dissentients, but as a statement of Socialist philosophy it still holds the field, and will continue to do so until the new

economic doctrine which is gradually becoming associated with the spirit of Socialism finds for exponent a master-mind of equal calibre.

Already, however, there are signs of a gradual but fundamental change of outlook. It is characteristic of England that such changes occur here insidiously, unmarked by any sudden or outstanding declaration, so that it was not surprising that Syndicalism, the first clear indication that the tide had turned, awakened but little response in this country, although it did serve to sow the seed of the National Guild movement in the minds of a few young Englishmen.

In France, however, and in Italy Syndicalism appeared to the world as a startling and new departure. But though it was the overt acts of the Syndicalists that alarmed the public, the real importance of the movement was as a symptom of a new wave of influence destined to undermine that very Marxian Socialism of which it seemed to be an offshoot.

Syndicalism was essentially emotional in origin. It reflected, in the realm of economics, that recognition of the instinctive and the unconscious as the mainspring of human conduct which characterises contemporary thought and is a revulsion from the scientific materialism of the nineteenth century. Just as the teaching of Marx in its precision, its

definiteness, its materialism belongs to the age of reason, so Syndicalism is akin to the new psychology which traces action, whether of the individual or of the race, to deep-seated and emotional sources hitherto almost unrecognised.

The theory that character is built up by action ("the child is father to the man," as Wordsworth put it), and that action is almost always the outcome, not of reason, but of those forces mysteriously generated in the deeper-lying regions of human nature, forces which are articulate only in conduct, was not, of course, new, but it was newly and convincingly stated, so that it influenced everyday thought, was "in the air," rousing opposition in unwilling minds. For it was not a palatable doctrine—that *homo sapiens* is, after all, guided more by instinct, desire, sympathy, than by the intellect which is his special endowment. The truth was, however, at once so obvious and so neglected that it effected a kind of revolution in art, literature, medicine and every human activity—a revaluation of values.

Socialism—the revolt against a social system which was becoming obsolete and oppressive—did not escape the influence. Just as it was in France that the new philosophy was first formulated, so also it was in France that the new Socialism was born. There and

in Italy Syndicalism seemed for a time likely to become a dominant factor, but the war intervened, and new interests and new divisions arose in the Socialist Camp, so that Syndicalism was no longer a question of absorbing interest. But although its importance as a definite movement may seem to be at an end, yet the influence underlying it is not merely still alive, but is fast becoming the prevailing force in Socialist thought and action.

In aim it differed but little from the Socialism it sought to supersede. The difference lay in method, but above all in attitude, in mentality.

The emphasis on class of the earlier revolutionaries was replaced by an emphasis on function. The syndicalist was conscious of himself, not as a member of a downtrodden class, but as a member of the active, creative element in humanity. The dividing line was no longer between "haves" and "have nots," but between workers and drones. Questions of property, of ownership, which had loomed so large before the earlier socialists, were superseded by questions of social responsibility and status.

Since the syndicalist was to fight as a worker, the battle was no longer political, but economic, in the workshop, rather than in Parliament, and its outcome must depend on the economic organisation of the fighters.

And here it is to be noted that the new revolutionary impulse acted in harmony with the old and was dependent upon it. Industrial organisation is a plant of slow growth; Syndicalism was its fruit, and could not have come into existence without it. But though efficient industrial organisation was a necessary condition, it was by no means the only one; if it had been, the new spirit would have been born in England rather than in France, for England is the birthplace and the stronghold of the Trade Union.

One may perhaps go so far as to say that it was the unparalleled success of the English Trade Union in its first object of fighting the employer and wresting from him decent conditions and fair wages that hindered the rise of this new spirit of creative enterprise which is the essence of Syndicalism.

The mentality of the Trade Union is antagonism. Whether the weapon be the vote or the strike, the fighting spirit is dominant. It is true that there is, and must be, comradeship among the members, but it is a comradeship of wage-earners rather than of workers An atmosphere of well-ordered antagonism and class warfare does not favour the growth of the creative impulse nor of the desire for civic responsibility and social service.

The syndicalist aims at effecting a change in economic and social relations, not as voter,

but as worker; his claim is founded on service. From the very fact that he is a worker he is in a position to change society. Compared with him the socialist voter is a dilettante. The socialist, who at best votes for Socialism every now and then, puts only his leisure into the activities which he believes are capable of changing Society. He has practically no functions to perform with reference to the future other than voting, attending meetings, paying party dues and subscribing to socialist papers. He delegates the realisation of his ideas to the men he elects. His own work is entirely indirect.

To those of us who realise the pressing need for a new social order, nothing is more deplorable than the fact that the socialist voter continues his life and work without any reference to his pledge to the cause of social revolution. True he is imbued with the socialist ideal, but, in point of fact, he has no notion how any action of his own can further its attainment. The socialist political movement, from its very nature, can offer him no training that will make him a disciplined combatant for the revolution, cannot produce in him any social impulses that are vital enough to afford driving power sufficient to force him into action. It is incapable on the one hand of inspiring the individual with that vital emotion which would lead to creative action,

and, on the other hand, of evolving an active collective consciousness.

There is no real conception of action unless one has been in action. It is impossible to grasp the true meaning of wide social responsibilities until some social responsibility has been met. No comprehensive social life can come into existence unless it has been generated in the social organisations preceding it.

The fundamental difference between the new and the older Socialism is to be found in the emotional attitude that they tend to produce in us and the line of conduct which is both cause and effect of that attitude. The experiences and sensations called forth by the former prepare for and stimulate action, action that has direction and permanence. The ideal of the socialist was apt to become stereotyped and unsubstantial just for lack of any line of individual action which might keep him in touch with realities. A code of principles, safely preserved from the give and take of everyday life, its exigencies and vicissitudes, is of very little use in preparing a new social order.

The tactics of revolution imply an alert watching of tendencies and events. Every blunder committed, every opportunity lost, means a set-back, if it does not mean complete failure, and the only way that such mishaps can be avoided is by a wide development

throughout the rank and file of a "flair" for the right line of advance. It is not a question of receiving orders and obeying them. A new society cannot be founded on words and obedience: it must be built on the broad foundation of men's hearts and lives. Sentiment is important, but it cannot stand alone. It must be buttressed by habit and experience.

In the past there have been two types of socialist—the one looked forward to a violent and bloody upheaval and believed that it would be time enough to frame the new order when the old was shattered; the other hoped for, and believed in, an evolutionary process made up of various economic and political factors, and proceeding more or less mechanically by virtue of inherent economic tendencies.

These latter believed that by voting and political action they had fulfilled their mission as socialists, which was to advance the evolutionary process.

Now the tendency and outlook of the new Socialism differ from both these in that it is founded on creative action and is (in a sense) instinctive rather than theoretic. Feeling a new reality growing in and around them through their own action, these men are ready to believe that their combined efforts will engender the new society, and that all that remains to do is to build on the foundation

already laid. They conceive the revolutionary process as depending on themselves. They are actually in the process, and on their action its pace depends. Theory with them comes as a result rather than a cause of action.

The new Socialism may have the same ideal, the same goal as the old; the superiority of the new is that it gives birth to qualities and actions directly contributive to the revolutionary ideal.

Socialism has been apt to become merely a passive mental attitude. A few keen spirits were, it is true, urged into action, but, inasmuch as everybody cannot be a leader, a writer, an orator or a political organiser, the mass of the people had no definite daily work to keep them in touch with the movement and give reality to their aspirations.

The new spirit, which first took outward and visible form in Syndicalism, was an impatience not merely with the reward of labour, but with the trammels it worked in. The producers were beginning to recognise that they were really doing the job and might as well decide how it was to be done, that their profit-seeking masters were a useless incubus.

Syndicalism appeared to the ordinary bourgeois who did not see beyond his nose as an outburst of unreason: "the railways for the railway men! the mines for the miners!"

It was, in reality, the eruption of the most useful of human impulses which had been long suppressed, the protest against a false position, against the enslavement of man by matter, of the living present by the dead past. It was, as we now see, an experiment in sane revolution.

CHAPTER II

CAPITALISM MUST BE SUPERSEDED

THE change from Capitalism to another and better order of society cannot be effected by force. No matter whether the weapons employed to wrest power from the capitalist are political or industrial, the change cannot, in the nature of things, be brought about merely by fighting, whether that fighting be carried on by votes, by strikes or by bombs and bullets. These weapons may be necessary, some or all of them, at some period of the conflict, but unless there is something ready to take the place of Capitalism it is impossible that they can effect a real and lasting revolution.

Capitalism has failed and deserves no quarter. Nevertheless it is still a going concern, and every man, woman and child in England is being fed and clothed by means of its action. The goods we consume have been produced (with very few exceptions) for profit, and if that motive could be suddenly withdrawn or annihilated, we should soon find ourselves cold and hungry.

But although Capitalism does still deliver the goods, it has long ago begun to show signs of failure. Year after year it is becoming more inefficient as a method of production. Competition, which is its mainspring, necessarily involves an enormous amount of wasted energy and actual sabotage. The needless expenditure on advertisement of all kinds, from the hideous placards that disgrace our countryside to the national propaganda and elaborate paraphernalia of tariffs involved by competitive foreign trade, to say nothing of the expenses of armaments from the same source—all must be reckoned as expenses involved in the present method of production, which must be set against the value of the incentive of private profit in the national account.

Another tremendous leakage and source of waste is to be noted in the periods of unemployment, ever increasing in scope and frequency, which, apart altogether from what they cost in human suffering, entail an enormous waste of labour, the prime means of production, and of machinery and other fixed capital forced to remain idle for lack of labour.

But not only is the system lamentably wasteful as a method of production, it is also a signal failure as a method of distribution. In this respect the test of efficiency is that the

needs of the community should be supplied by the exertions of the persons contained in it with a surplus for cultural values of all kinds enjoyed either publicly or privately. What we find is, that through a peculiarity inherent in this system, purchasing power is more and more unequally distributed as time goes on, not on any reasonable principle of needs or of deserts, but according to blind chance or to the principle of "to him that hath shall be given."

This is not the place to inquire into the reasons for the increased inefficiency of Capitalism. It is a complex and difficult question, involving a consideration of the effect of over-elaboration in productive methods, both as to organisation and machinery; but there is one reason which concerns very closely the present inquiry—viz. the fact that the capitalist has to a great extent lost his former control over labour. There are three chief causes for this loss :—

Firstly, the disappearance of the personal element in the relationship of employer and employed and the substitution of what Carlyle called the "Cash nexus." The employer exists no longer; he is replaced by a Board of Directors who are answerable to the shareholders and whose business it is to consider first, if not solely, *profits*. The interests of the workers and of the body of shareholders

are necessarily opposed, and there is no sort or kind of personal relationship to soften that opposition, so that an atmosphere of hostility is inevitable.

Secondly, the disappearance in the individual workman of an interest in the production on which he is engaged, owing to the constantly increasing use of machinery and consequent subdivision of labour, which removes a man further and further from the concrete result of his work, and thus deadens the healthy stimulus to effort supplied by the creative impulse that exists more or less in everyone, and the satisfaction that comes as the inevitable reward of a good bit of work actually accomplished.

Thirdly—and this is the most important of the three causes of this loss of capitalist control over labour, for it is one that is bound to operate more and more forcibly as time goes on—the loss is due to the refractory character of Labour itself. Organisation patiently pursued through a long period has developed a practical monopoly which has placed Labour in a strategical position of so much strength that it can hamper the capitalist at every turn. By means of direct action it has insisted on higher wages and better conditions, and by means of political action it has enforced those demands through legislation. We see this gradual encroachment on the sphere of capi-

talist control over labour taking place before our eyes, with dire results to Labour itself.

True there are still vast provinces of industry where it is not operative. In some, labour-saving invention and improvements in management have contrived so to keep pace with Labour demands that the actual proportion of wage bill to profit has not risen, while in others the capitalist has contrived to shift those processes where labour is most required into a country where it is still unorganised and unprotected by law.

In those industries, however, where no such device is available we see productive undertakings closed or slowed down, although their produce is badly needed by the public, because they can no longer pay the standard rate of wages in addition to the standard interest on capital and yet leave a margin for profit. Labour and the consumer are hit much harder than the investor, for he can transfer his capital to some other undertaking in or out of the country, while the worker will find it much more difficult and—in a time of general slackness—impossible, to transfer his labour.

But what is to be the result of this breakdown of Capitalism? Its immediate result is, as we have just seen, more injurious to Labour than to the capitalist. Is any substitute for Capitalism forthcoming which will

effectively improve the position of Labour? What does Socialism propose? We have not far to look for a reply to the latter question. The present breakdown of London traffic brought to light by the strike of tramway men (March 24, 1924) affords an example which is typical.

"The industrial dispute arises out of the financial situation. The money is not there. It is quite impossible for my companies to meet any further expenditure . . . we cannot meet the present expenditure. Tramways cannot continue to go on under the present circumstances. Omnibuses are now faced with an equally difficult problem. . . . It is equally true of the underground railways. . . . If you venture to add to the fares in London now, your income will diminish rather than increase.

"If you leave this competition to free play, in the end it always brings disaster. . . . You cannot have competition in transport. . . . Clearly the situation as it now is must inevitably end in disaster.

"If the services are properly co-ordinated, in that direction lies the way in which the best wages can be paid to the men." [1]

"*Mr. Bevin to Lord Ashfield:* Are you willing to submit the omnibus concern to statutory control?—Certainly.

"Are you willing to submit to a definite limitation of profits?—Certainly." [1]

[1] Summarised from *The Times* report of Lord Ashfield's evidence before the tram strike Court of Inquiry.

The above summary from the report of the Tram Strike Court of Inquiry is quoted from the socialist weekly *The New Leader* (March 28, 1924), and I have quoted it for two reasons: first, to show the entire failure of unrestricted private enterprise, and secondly to call attention to the characteristically socialist comment on the situation which occurs in an editorial in the same issue.

"Lord Ashfield no doubt wants a monopoly position for his combine, though he said he was prepared to accept limitation of profits. But the whole of his argument shows that nothing short of public ownership will meet the case. And public ownership implies not merely the devotion of the profits to the service of the community, but the organisation of the transport industry on lines that will give to the workers in it responsibility for, and control over, their own conditions. A decent standard of wages is only the first stage."

It seems remarkable that after our wide and painful experience of the working of bureaucracy during the war, the more intelligent of

[1] From a report of the same Inquiry.

our socialist leaders should still repose unbounded faith in it, as the one and only alternative to uncurbed private enterprise. Is the working of the Post Office so entirely satisfactory that we are eager to have all public services under similar management? Is the postal service in Great Britain characterised by initiative and a progressive policy? Does it compare favourably in these respects with even the great private carrying enterprises which have not its special advantage as a State monopoly? Again, does the history of the Post Office bear out the above statement, that public ownership implies that the organisation of the industry in question will be "on lines that will give to the workers in it responsibility for and control over their own conditions"? One seems to have heard of underpay and long hours in the postal service, but not of any special facilities for redress. What I want to emphasise is that there is no essential and fundamental difference between private Capitalism and State Capitalism as such, while there are special drawbacks to the control of an industry by a State department presided over by a Party nominee, drawbacks to which private capitalist enterprises are not liable. Of course the collectivist may reply that a Labour Government would change this method of conducting a State industry, but I contend that until a new and better method

has actually materialised and is in working order the mere change of ownership in the means of production will effect little.

It is an example of the materialist point of view which obscures Socialist vision; the tendency to lay too much stress on questions of ownership and property; too little on those of function and social responsibility. It is true, of course, that if the London Transport Service were nationalised the profits, which now go into the pockets of the shareholders, would go either into the pockets of the users, in the form of reduced fares, or to the State, but this does not seem to be of vast importance, since the combine is willing to submit to a State regulation of profit which implies publicity of accounts.

This admission is of great moment, for it opens the way to essential and far-reaching reform. The Combine—to judge from the report before us—is, in effect, applying for a monopoly (in an industry which ought obviously to be run as a monopoly), and is offering, in exchange for this boon, to submit itself to Government regulation and control. True the control specifically mentioned is financial, but there is no reason why this should not be extended to questions of management. There is clearly opportunity for a bargain. The combine is applying for a charter involving a very important privilege which it is in the

power of the State to grant or to withhold. The conditions of such a charter are, of course, a matter of arrangement, and it is the business of the Government so to formulate them as to leave the way open for future developments in the right direction. Every industrial undertaking throughout the country is beholden to the State for certain advantages without which it would be powerless to function—protection, transport, etc.—and must submit itself to Government inspection and regulation, but in the case before us special advantages, special privileges are demanded which are essential to the successful carrying on of this special industry. If these are granted, the State becomes, *ipso facto*, a party to the enterprise and entitled to share in its direction—entitled, that is to say, to an ample representation on the Board of Directors proportionate to the intrinsic value of the State contribution. If a Labour Government were in power, its influence on the Board of Directors would, of course, be used in the service of the community and especially in the interests of Labour, not merely in securing adequate wages and reasonable hours, but also adequate and gradually extending control over the management on the part of the Labour organisations concerned with the industry.

For the moment such control could be but slight, dealing only with labour conditions,

because the Trade Unions in question have been formed and run as fighting, not as productive organs. As the individual workers, however, became more and more interested in the service itself, and more and more awake to the new circumstance that they were working not to enrich a few shareholders but for the benefit of the public, their pride in their work and their desire to increase its efficiency would grow and could hardly fail to find some reflection and expression in the aim and scope of their Trade Unions.

Here we come back to our starting-point in this chapter. In the fight which socialists, as such, are pledged to wage against Capitalism, strikes, on the one hand, and State action, on the other, can effect but little without a change of heart, of attitude, of mentality in the workers themselves. As long as they are bent only on securing a fair share of the produce, they will remain wage-slaves, and it is of comparatively little moment whether the post of slave-driver be occupied by private enterprise represented by a Board of Directors or by the State represented by Government officials.

If, on the other hand, they are inspired by a spirit of service and creative enterprise, opportunities like the present are certain to recur when production for profit and the free play of economic forces fail to deliver the goods,

and better methods and motives can be brought into play. Capitalism, profit-seeking, has been, and indeed is, a great constructive force, but it is already showing signs of decay, and as soon as a greater force, a saner motive, is ready to replace it, Capitalism is doomed to give way.

CHAPTER III

THE REFORMIST ATTITUDE

In insisting on the new socialist spirit of creative enterprise, it would be absurd to ignore or make light of the older Socialism that has led up to, and prepared the way for it. Syndicalism was the child, though the wayward child, of the earlier Socialism, and like most wayward children it expended the strength and energy which it derived from its parent in violent reaction against parental dogma.

It is impossible to overestimate the moral influence of Socialism. If we contrast the attitude of well-meaning people like Hannah More and Wilberforce in the early years of last century on subjects connected with the conditions of the working class with that of similar well-meaning people of to-day, we shall realise the enormous change that has taken place in ordinary middle-class opinion. It would be impossible for anyone to-day to be as smugly class conscious and condescending as Hannah More. Even the attitude of the earlier supporters of the Charity Organisation

Society seems sympathetic beside hers. This enormous change in well-clad public opinion is undoubtedy due to a large extent—though perhaps indirectly—to socialist propaganda. This has acted on the middle class in two ways: first, it has softened the hearts and awakened the sympathies of the well disposed, and secondly, by opening the eyes of capitalists and landlords to the possibility of revolution, it has caused them to line up consciously in self-defence against the workers, and, on the other hand, has disposed them to strengthen their own position by any concessions that do not interfere with the dominance of capital, thus paving the way for legislative and administrative reform.

Far more important, however, than the influence of Socialism on the middle class has been its influence on the workers, as the mainspring of their political and economic organisation and the source of their revolutionary education.

But while this invaluable training and education towards revolution has been going on, there has been all the time a tendency for the Labour movement to drift inevitably towards reform activity, meeting halfway the middle-class reformists, dropping the revolutionary ideal, satisfying itself with slight economic and political reforms, and thus giving opportunities to the forces of reaction

to organise and prepare themselves for a desperate resistance in the later stages of conflict.

Inevitably the earlier revolutionary socialist movements, concentrating their work on the democratisation of the State, have become more and more mere reform movements, shifting the realisation of the socialist ideal far into the future, and divorcing it from those living instincts of interest and joy in the work of one's hands and desire to serve one's neighbours which spring up spontaneously in every healthy human being. State Socialism has taken shape as the approved policy of nearly all socialist bodies, whether revolutionary or constitutional, the intent of which is to put the State in possession of the means of production, on the theory that the State is an independent autonomous organism, living above the social structure and social classes, and that its chief function is to express and realise the desires of the community.

This conception, however, breaks down at the first practical test. When the State proceeds to expropriate for the community and transfer to itself one of the important branches of national economy—say the railroads—it is always at a profit to the shareholders, giving them an enormous amount of cash, which goes at once into new capitalist enterprises, while the Treasury is depleted and new taxes

have to be levied, the largest part of which are probably borne by the workers—manual or professional—and are faithfully voted by their naif parliamentary representatives.

Still, admitting that there may be State enterprises that are both profitable and efficient, yet they have all necessarily one noxious feature that is most dangerous from the revolutionary working-class standpoint, viz. that an ever-increasing number of the working class become State employees. Considering, too, that the State tends to expropriate chiefly the basic industries of the country—as, for instance, railroads and mines, those that occupy a strategic position in all warfare between nations as well as between classes—it becomes more evident that any servility of the workers in these industries is of the utmost peril to revolutionary aspirations.

It is often argued that this is of no consequence; that the workers employed in State enterprises will respond to the call of other workers at the critical moment; but those who hold this view are overlooking the fact that a group of men, as well as an individual, will act at critical moments in the spirit of their training, synthesising unconsciously past experience.

State Socialism is put forward and recommended by orthodox socialists as a stage, and even a necessary stage, in the advance to a

new social order, and this view has been taken both by revolutionary and by constitutional socialists. William Morris and those who, like him, have a profound sense of human values, rebel instinctively against this view. Their instinct is sound, and in the light of wider knowledge and experience has the full support of reason. State Socialism in the long run is bound to play into the hands of reaction by creating a division of training, attitude and environment in the ranks of Labour, using that word in its widest sense to include what Morris called "the useful classes."

It is highly questionable whether a sudden revolutionary upheaval would be strong enough to break down at once this special attitude of the "State servants." A job is often regarded by the holder as jealously as a capitalist regards his capital. The same objection to State Socialism holds in the case of the alternative policy of revolution by means of encroaching control of the producers. It would be far more difficult to supersede the authority of a State department than of a Board of Directors.

State management by discouraging the organisation of its employees and rousing public opinion against their direct action removes from them the means by which their initiative, professional capacities, and social vision may be translated into practice. It tends to reduce

them to a state of indifference without personal interest in the progress of their own enterprises in particular, or of society in general.

In short, State Socialism, or, to name it more accurately, State Capitalism creates a mass of workers that, in respect of their mentality, their capacity and their attitude towards their profession, are likely to be at variance with the revolutionary workers, and to become morally incapable of living under a new social order. The functioning of State enterprises and institutions rests with a bureaucracy, whose orders the State employees must mutely obey. The authoritative discipline which prevails in them, and to which the workers indifferently or unwillingly submit, is the very negation of that social discipline which should operate in every progressive social institution. It is a discipline depending on fear rather than on conviction, and that does not stimulate to action, but limits it, affording no opportunity for independent individual activity.

The extent to which centralised bureaucracy hinders the unfolding of social efficiency and initiative was shown abundantly in the tragic days of the war, when men's sympathies and the desire to serve were roused to the uttermost, but were rendered useless again and again by the clumsy futility of Government action. Never before or since has there been

such an outpouring of energy and public spirit; but the stream was checked on every side by a wall of officialdom, every self-denying effort tied up by red tape, while wily profiteers, who knew the ropes and could get at the wheels, reaped every advantage.

If an enterprise or a body of men is to work efficiently, everyone must have a certain freedom of initiative within the limits of a well-devised co-ordination.

In any great enterprise everyone concerned should know the final purpose and the means to be used for its achievement, and free play should be left to everyone's ambition to further that end to the utmost of his power. Few will then refuse to submit themselves generously to a conscious discipline, knowing that any wrong step may risk the success of all others, the outcome of the whole.

The widening of the sphere of the State's authority is in itself a serious evil, and that evil is not really neutralised nor even mitigated when the enlarged authority is exercised in the cause of social reform.

No administrative gain is worth the sacrifice of a free and independent spirit. A servile attitude is the most hopeless of all barriers to any real advance.

In theory it may be possible to demonstrate that State Capitalism might, under a Labour Government, work towards the fulfilment of

the socialist ideal, but in practice, by creating new classes and new entrenchments and by encouraging an attitude of acceptance and servility, it cuts at the root of the only revolution worth working for—Creative Revolution.

The State is still a part of capitalist social machinery, no matter what party holds the reins. Changes of Government are formal rather than substantial. Fluctuations occur within certain limits; beyond those limits they would mean the destruction of the mechanism of the State. The chain of institutions which it has called into existence and which constitute its power—top-heavy administration, militarism, insurance, old age pensions, police courts, monopoly of teaching and monopoly of industries—all tend in the long run to increase the power of the ruling class and to suppress the independence and individuality of the workers.

In addition to all these, the ever-widening power of the State tends to crystallise into a new entity. Officialdom in charge of the administration creates for itself a privileged position, above Capital and Labour, above democracy and backed by an almost independent control of Army and Navy.

Whether the Government serves the capitalist only, or whether it serves, in addition to the capitalist, this new class of bureaucrats which has an affinity of interest with the

capitalist, does not make any great difference so far as the revolutionary working class is concerned. It is Capitalism that the revolutionists are fighting; it matters not whether it be private or State Capitalism.

It was not, then, surprising that Syndicalism should have poured contempt on Parliamentary action, and yet there was, in reality, no necessary and fundamental opposition between them. No intelligent syndicalist could fail to admit the value of legislative reform in paving the way for industrial organisation and in furthering the cultural welfare of the people, but it is true that from his special point of view all this seemed of secondary importance, since neither parliamentary propaganda nor even parliamentary action could in themselves prepare the new economic régime.

What was the use of fighting for new laws and new institutions, unless they were substantiated by a corresponding change of attitude and outlook in the mass of workers themselves? Before legislation can be of use, before the workers can enforce laws against the capitalist interest, two things are essential: first, Labour must be organised not merely for protection—to defend its own special interests—but also for function, to produce in the interests of the public. The

industrial organisations of the workers must be in a position to rival those of the capitalists, and in due time to replace them; and secondly, the workers themselves—not merely their leaders, but the rank and file—must be imbued with those creative and social impulses which have been deadened by generations of industrial servitude.

Up to the present time a relatively small number of financial interests have ruled industry, and by so doing have exerted an overwhelming influence on legislation. Directly or indirectly they dictate the policy and functions of State and municipality. Even where socialists have conquered municipalities, they have been obliged, at each move, to consider the interests of the capitalists who "feed" and employ the population.

Capitalists have a special industrial consciousness. They understand instinctively the influence of political and social relations on the processes of money-making, and their constant aim is so to guide events and tendencies as to shield their interests from hurt or hindrance.

Against this industrial consciousness of the capitalist, Syndicalism would pit the industrial consciousness of the millions of organised workers. But just as the industrial consciousness of Capitalism has been developed by means of energetic action in the building up of

industry through generations of profit-seeking, so also will the industrial consciousness of the worker be developed only by means of action in the upbuilding of their organisations. But it must be remembered that an organisation the action of which consists merely in enlisting members and in voting will not serve to develop industrial consciousness. Many political and industrial organisations have hundreds of thousands of paying members who, in this sense, never act.

The work of giving life to Labour organisations, of imbuing them with motive power, of making every individual member participate in collective action—this was the task undertaken by Syndicalism, a task of enormous difficulty, and one which cannot be shirked by those whose hopes are set on a true social revolution and who are not content with mere social reforms granted by capitalists and in reality benefiting chiefly themselves.

It is only when this industrial consciousness is actually in being that the working class will be in a position to bring effective pressure to bear on political parties and institutions for the realisation of such reforms—political, educational, cultural and economic—as will clear the ground for its further progress. A revolutionary programme will gradually shape itself in and through revolutionary action. The workers will learn when, how, and why

they should mobilise their industrial forces as they become aware of the far-reaching significance of the social movement in which they are taking part. Until then, although, as events are now proving, political power is within their grasp, there is a danger of so employing it as actually to strengthen the capitalist system by patching up things as they are. When the workers begin to visualise the economic future that is to supersede that system, then, and not till then, they will be able to venture on constructive legislation without impairing their own revolutionary vitality and without danger of being drawn into movements or actions which would divert it from the straight road.

The industrial consciousness of the worker implies not merely a creative impulse, a desire to serve and a sense of social responsibility, but also an understanding of his own special function and of the potentialities of the organisation to which he belongs. His own share of activity in that organisation will tend to widen his technical knowledge, and he will become vitally interested in the problems of production, distribution and organisation, not in his own industry only, but in others also. He will come gradually to realise that in the management of industries Capitalism and the State are both of them failures. He sees that Capitalism hinders him from getting full value

out of his work, that it has organised industry solely from the point of view of profit; and that because no profits were in view it has failed to develop many branches of industry which would be of social value.

He sees, on the other hand, that the State is apt, for political reasons, to place the control of its industries in incompetent hands, and that any apparent success is heavily paid for in public money and in the liberty of the workers. He sees too that, once freed from the influence of capitalists and of workers, there is a danger of a State Capitalism carried on for the benefit of a new hierarchy of politicians.

Instinct and experience lead him to distrust all such schemes, and he is prepared to fight them. The sense of social relation once awakened leads to the discovery of a form of organisation that will allow the workers to be free producers, free alike from capitalist slave-driving or State coercion.

Direct action on the part of the workers for securing this liberty is likely to appear everywhere at a certain stage of industrial concentration and of State Collectivism. That stage had been reached in the more progressive countries of Europe in the years immediately preceding the war, and thus arose the phenomena of Syndicalism and Guildism. The war, with all the cross-currents of patriotism and

military obedience which it brought in its train, for a time confused the issue, but war experience has in the end thrown fresh light on the problem by exposing the evils of entrusting the conduct of industry to a bureaucracy, even when that bureaucracy was under the influence of an exceptional wave of national sentiment and public spirit.

Notwithstanding its value, however, as an object lesson in the dangers of State Socialism, the war has proved an obstacle in the path to real and lasting revolution. Dislocation of trade and resulting unemployment have weakened the economic position of Labour, driving it to depend more and more on the State and Parliamentary action, and distracting it from the one essential task of obtaining an efficient and complete control over the processes of production. The result, as we see it in England, might easily have been foreseen, but few even among Socialists seem, even now, to perceive its true significance.

A steady and long-continued policy of organisation and reform has enabled Labour to seize the opportunity afforded by political and economic dislocation and by the crass ineptitude of the older parties. Another favouring circumstance, due largely, though by no means entirely, to the war, has been the levelling, almost amounting to obliteration, of class distinctions, so that men of intelli-

gence and goodwill in all walks of life have been ready to throw in their lot with Labour as the least hopeless of political parties, so that the more complex and the more perilous public affairs become, the stronger becomes the one party which has no vested interest to divert it from the task of bringing order out of chaos.

The result is that while the economic position of Labour is worse than before the war, its political position is far stronger, and we are now to have a demonstration of the comparative futility of parliamentary action unsupported by economic preparedness as an agent in social revolution.

Capitalism, crippled though it is, still holds the field, and so long as there is no rival ready to supersede it, the more crippled it becomes, the worse will be the fate of the workers who slave for it.

Unfortunately the parliamentary frame of mind which trusts to the efficacy of the vote is utterly foreign to that virile attitude in the rank and file of the workers which is the first foundation of a new social order.

The real problem of revolution centres in keeping the attention of the workers on revolutionary aims and methods, and this can be done only by engaging them in constructive activity directed against the present system. It may be necessary to urge them to go to the ballot box, but it must be remembered

that the act of casting a vote is not creative, and therefore in no real sense educative. It may be necessary for them to sit on municipal and Whitley Councils side by side with reactionaries whose ideals are diametrically opposed to their own, but it is well to bear the risk in mind. Such activities and the atmosphere in which they are carried on do not tend to prepare a character and turn of mind apt for social revolution.

Parliamentary action culminating in political ascendancy is spectacular and extremely encouraging, but it is essential to realise that it is one of two legs which must co-operate step by step in every social advance. It is only through bitter experience and dire disappointment that this mistake can be corrected. Nothing short of unexampled political success and its powerlessness to effect any real approach to a new social order could bring home to the workers the fact that not political power but economic efficiency is the lever by means of which the incubus of Capitalism will be dislodged.

It is easy to say that a Socialist Government can effect but little until it has a sound majority behind it. No majority will enable it to effect a social revolution until a substitute for Capitalism is ready to hand, until the workers themselves are ready and able to create a new social order.

This was the message of William Morris to the socialists of his day. "The real business of socialists," he wrote, "is to impress on the workers the fact that they are a class, whereas they ought to be society. If we mix ourselves up with Parliament we shall confuse and dull this fact in people's minds, instead of making it clear and intensifying it": and again, "It is necessary to point out that there are some socialists who do not think that the problem of the organisation of life and necessary labour can be dealt with by a huge national centralisation, working by a kind of magic, for which no one feels himself responsible: that, on the contrary, it will be necessary for the unit of administration to be small enough for every citizen to feel himself responsible for its details and be interested in them; that individual men cannot shuffle off the business of life on to the shoulders of an abstraction called the State, but must deal with it in conscious association with each other."[1] Any detailed scheme of State Socialism roused ire and repugnance in Morris, though one does not deny that towards the end of his life he did accept it as a possibly necessary stage in the road to freedom. Still, the conception

1 "Life of W. Morris," by J. W. Mackail, p. 244. The above and other passages from the writings of W. Morris are quoted from Fabian Tract 167, "William Morris and the Communist Ideal," by E. Townshend.

was alien to his nature. His hopes and wishes for the future were dominated by the glorious visions of free human activity, of pride and joy in the work of hand and brain, which he associated rightly or wrongly with the past. It was not only the profit-seeking of private Capitalism that he hated. The tameness and over-elaboration of modern mechanical production would have been just as odious to him if the plant were in State ownership and the management in the hands of Government officials. His delightful rural idyll, "News from Nowhere," was written, Mr. Mackail tells us, as a protest against the apotheosis of centralisation and of urban life held up as the social ideal by Mr. Bellamy in his "Looking Backward." Characteristically enough, the land of Morris's prevision was a Utopia for the worker rather than the consumer. The production of wealth interested him more than its enjoyment, the joy of making more than the joy of spending.

"Mr. Bellamy worries himself unnecessarily," he wrote in the *Commonweal* for June 1889, "in seeking, with obvious failure, some incentive to labour to replace the fear of starvation, which is at present our only one; whereas it cannot be too often repeated that the true incentive to useful and happy labour is, and must be, pleasure in the work itself." How to preserve, or, rather, how to recover

that incentive was, for Morris, the problem of problems; but it is one that the orthodox socialist is apt to overlook. The social reformer constructs, or rather designs, an organisation of industry which threatens to totter as soon as it is built for want of just this foundation stone, the significance of which was instantly apparent to the eye of the poet, though to the economist it seemed a negligible detail.

Here we come upon the real mission of William Morris. He, with Ruskin and their friends, stood for that new type of Socialism which is now beginning to gather force and volume, and of which the Guild Movement is the most definite expression—a Socialism that lays stress on life and motive and function rather than on property. A craftsman himself, Morris thought of the worker, not as an abstraction, but as a comrade, with motives more or less like his own. This vital sympathetic outlook brought him into collision with the prevailing Socialism of his day. He was as much out of sympathy with the gas and water collectivism of the moderates as with the turbulent revolutionaries. His view of the future, of the new social structure for which they were working, may have been one-sided, but the side he saw was the side unseen by men immersed in questions of administrative reform or in organising the class war. Fabians

and Social Democrats were alike in this. They were apt to leave out of their calculations the humanisation of the worker in and through his work, of bringing home to him the realisation of his own place in the social economy. A decent life for the workman, the recognition on his own part of the dignity of his work, seemed to Morris not merely the end for which we were striving, but also the only means of attaining it. "Methods of realisation," he writes in the *Commonweal* (November 15, 1890), "are now more before our eyes than ideals; but it is of no use talking about methods which are not, in part at least, immediately feasible, and it is of the nature of such partial methods to be sordid and discouraging, though they may be necessary.

"There are two tendencies in this matter of methods: on the one hand is our old acquaintance palliation . . . on the other is the method of partial, necessarily futile, inconsequent revolt, or riot rather, against the authorities, who are our absolute masters, and can easily put it down.

"With both of these methods I disagree; and that the more because the palliatives have to be clamoured for, and the riots carried out by men . . . who have no idea what their next step is to be, if, contrary to all calculation, they should happen to be successful. Therefore, at the best our masters would

be our masters still, because there would be nothing to take their place. We are not ready for such a change as that."

In his own day Morris stood almost alone in his distrust of political action. There were in England two antagonistic types of Socialism, but their opposition was one of method rather than of aim. Both hoped to capture the government of the country, in the one case by revolutionary, in the other by more insidious methods. Morris, on the other hand, was inclined to scorn the idea of a control of industry exercised by means of a parliamentary vote. He had a deep, one might say an instinctive, distrust of salvation by means of the vote, and a profound conviction that revolutionary activity among the workers could be more effectively evoked and fostered by bringing home to them the sense of their social responsibility as workers than as parliamentary constituents. In the one case interest is focussed on party politics, and the lesson learned by the worker is a lesson in docility: he is taught to function smoothly as a wheel in the party machine. In the other case, he is brought face to face with the actual problems of production and organisation; he learns to be resourceful and self-reliant, and to take his place consciously and intelligently in the great enterprise of providing for the needs of mankind.

Morris never committed himself as to the method in which this direct connection between the worker and the organisation of industry was to be effected. It was not his job to invent constitutions or to elaborate theories of government, but rather to see and help others to see the realities of life and to restate human values, but his visions of the future are no less inspiring and suggestive because they are not dogmatic and practical. A private letter of his, written in 1888, gives a naif and vivid picture of industrial society as he visualised it in the future and of the supersession of government.

"Our present representative system," he writes, "is the reflection of our class society. The fact of the antagonism of classes underlies all our government, and causes political parties. . . . The business of a statesman is to balance the greed and fears of the proprietary class against the necessities and demand of the working class. This is a sorry business, and leads to all kinds of trickery and evasion, so that it is more than doubtful whether a statesman can be a moderately honest man. Now, the control of classes being abolished, all this would fall to the ground. The relations of men to each other would become personal; wealth would be looked upon as an instrument of life and not as a reason for living, and therefore dominant over men's

lives. Whatever laws existed would be much fewer, very simple, and easily understood by all; they would mostly concern the protection of the person. In dealing with property, its fetish quality having disappeared, its use only would have to be considered, *e.g.* shall we (the public) work this coal mine or shut it up? Is it necessary for us to lay down this park in wheat, or can we afford to keep it as a place of recreation? Will it be desirable to improve this shoemaking machine, or can we go on with it as it is? Will it be necessary to call for special volunteers to cultivate yonder fen, or will the action of the law of compensation be inducement enough for its cultivation? And so forth. . . .

"To return to our government of the future, which would be rather an administration of things than a government of persons. Nations, as political entities, would cease to exist. Civilisation would mean the federalisation of a variety of communities, great and small, at one end of which would be the township and the local guild, and at the other some central body whose function would be almost entirely the guardianship of the *principles* of society. . . . Between these two poles there would be various federations, which would grow together or dissolve as convenience of place, climate, language, etc., dictated, and would dissolve peaceably when occasion

prompted. Of course public intercourse between the members of the federation would have to be carried on by means of delegation, but the delegates would not pretend to represent anyone or anything but the business with which they are delegated, *e. g.* 'We are a shoemaking community chiefly, you cotton spinners. Are we making too many shoes? Shall we turn, some of us, to gardening for a month or two, or shall we go on?' And so forth. . . . To my mind the essential thing to this view . . . is the township, or parish, or ward, or local guild, small enough to manage its own affairs directly. And I don't doubt that gradually all public business would be so much simplified that it would come to little more than a correspondence. 'Such are the facts with us; compare them with the facts with you. You know how to act.' So that we should tend to the abolition of all government, and even of all regulations that were not really habitual; and voluntary association would become a necessary habit and the only bond of society." [1]

It will be noticed that Morris differs both from Kropotkin, with his "groups," and from most of the modern Syndicalists, with their industrial guilds, in localising the communities

[1] "Letters on Socialism," by W. Morris to Rev. G. Bainton. London. Privately printed, 1894. (Only thirty-four copies.)

that are to constitute his social framework. Notwithstanding his conviction that men must be organised as producers, his home-loving nature refused to conceive a society which made light of the ties of neighbourhood, of growth in a common soil. England was very dear to him as a land, though not as a nation; and still dearer was the corner of England where he was born and bred. If we understand Morris and his attitude towards the future, we shall see that his Socialism was revolutionary and uncompromising just because he was conservative at heart. The transition period, as he called it, of State Socialism was distasteful to him because it seemed to substitute a dull uniformity for the detail and variety of the past. He admitted eventually that it was bound to come, he saw that it was coming by means of humdrum agitation followed by humdrum legislation, but he could never feel any enthusiasm about it.

CHAPTER IV

GUILD SOCIALISM

THE English Guild movement was the Elisha on whom the mantle of William Morris fell. His leadership or inspiration has been again and again gratefully acknowledged by Mr. Cole, who is the foremost representative of what may be regarded as the orthodox branch of the movement, but there are weighty differences between the gospel of Morris and the doctrine of National Guilds.

Guild Socialism, as Mr. Cole and his followers prefer to call it, is an attempt, carefully thought out and elaborated, to graft the new spirit which had found expression abroad in Syndicalism on the vigorous plant of English Trade Unionism. The stock is strong and well rooted, but the scion is perhaps too remote in nature and origin for the process to be very successful.

Revolt against Capitalism was rife enough in England, but it was for the most part prosaic and material, concerning itself chiefly with wages and labour conditions. It is true that there were stirrings of a demand for workers' control, especially on the Clyde and

among the Welsh miners, but there had been nothing in the regimentation of Trade Unionism to foster that spontaneous desire for self-expression, for independent action, for responsibility that lay behind Latin Syndicalism.

The English Trade Union was reformist in nature and origin, intended to moderate the evils of Capitalism, to fight the employer for better wages and better conditions, and this intention it has fulfilled. To expect that it should be imbued at a certain period with creative enthusiasm and the delight in work for its own sake that fired the soul of William Morris, was to look for an impossible transformation—impossible, unless a real spiritual conversion had been effected in the hearts of the members. One may perhaps conceive of the possibility of such a conversion if it came as the result of a religious revival, but none such has taken place as yet in the rank and file of English Trade Unionism. The ideal of enlarging the scope of the Trade Union until it shall become the unit of production and displace Capitalism may be an inspiring ideal to an intellectual theorist, but it is not of a kind to fire the hearts of English workers with contagious enthusiasm.

The theory of National Guilds which has been so ably elaborated by Mr. Cole and other writers was not the original form in which the proposal to find a substitute for

Capitalism in a system of Guilds was first brought forward in England.

This occurred in 1906, when Mr. Penty published "The Restoration of the Guild System" (now out of print), in which he attacked Collectivism and proposed the substitution of Guilds for bureaucracy as a method of organisation. It is not without significance that this book was written just about the time when revolutionary Syndicalism in France was crystallising into a definite body of doctrine as a result of the masterly guidance of Fernand Pelloutier, secretary of the Federation of the Bourses du Travail.

It is not suggested that Mr. Penty was in any sense inspired or influenced by what was going on in France, but quite the reverse—that the almost simultaneous birth of the two movements is an interesting comment on the statement made in our first chapter that Syndicalism may be looked on as characteristic of a new trend of thought, and as a revulsion from the scientific materialism of the nineteenth century. The marked difference between the manifestaton of this trend of thought in the two countries is extremely characteristic.

In France, the land of logic and revolution, it gives birth to sabotage, direct action and the General Strike; in England, the land of sentiment and conservatism, it awakens the desire to shake off the odious results of commercialism and return to the good old ways of our fathers.

In England with Mr. Penty, the first impetus was æsthetic, just as it had been with Morris, and indeed this earlier and more vital side of the Guild movement is definitely a following up of the Morris tradition, and may be looked on as an outcome of the revival of Arts and Crafts which he initiated. Mr. Penty is an architect, and "he conceived this idea while seeking a solution for the economic aspect of the problem of architecture. Tracing this problem to the disappearance of mediæval corporations, and finding that architecture had flourished under their régime, he came to believe that any widespread revival of architecture was bound up with the restoration of the Guilds. But since architectural problems are special, and interest only a limited number of people, he came to the conclusion that any restoration of the Guild system was possible only on the assumption that the principle could be given a wider application. Instead, therefore, of attempting a restoration of Guilds in the building industry, he addressed himself to the problem of a general restoration of Guilds as a part of the solution of the social problem." [1]

[1] "Guilds and Co-operatives in Italy," by Odon Por. Labour Publishing Co., 1923. Chapter X, on "Some Aspects of English Guild Socialism," p. 142.

The book was but little read and commented on, though it was welcomed by a small group of like-minded readers in whom the same discontent was stirring and in whom the seed sown by Ruskin and Morris was beginning to germinate. "For books are not absolutely dead things, but do contain a principle of life in them to be as active as that soul was whose progeny they are." A saying that is as applicable to this first book of Mr. Penty's as to "Fors Clavigera" and "Unto this Last," or to "News from Nowhere." A time will come when the appearance of "The Restoration of the Guild System" will be recognised as marking a turning-point in the history of English Socialism.

Mr. A. R. Orage was the first writer to follow Mr. Penty's lead by contributing a brilliant article to the *Contemporary Review*, under the title "Politics for Craftsmen," in which Guild ideas were advocated. "But it was not until 1911 that the cause made much headway. In that year the Labour peace came to an end. The dockers and transport workers came out on strike, and their success gave rise to a strike fever, which spread to the railwaymen and many unskilled trades, and continued intermittently until the outbreak of the war. The newspapers attributed this unrest to Syndicalism, of which, to tell the

truth, very few either of the intellectuals or the workers at that time had heard. But the boom in Syndicalism thus created served a useful purpose, for it turned the disappointment with the performance of the Labour Party in the House of Commons into a reaction against Collectivism, and this created a political interest, that Orage, who had in the meantime become editor of the *New Age*, succeeded in turning in the direction of National Guilds.

"The National Guild theory was formulated by Mr. S. G. Hobson in collaboration with Mr. Orage. It differed from the Guild idea of Mr. Penty in many ways. The most fundamental of these, and that on which the other issues turned, was the difference in its attitude towards industrialism. Penty had maintained that our industrial system was bound to break up, and did not believe in the existence of a single and uniform remedy for all our social ills. He therefore remained apart. . . . Though he considered the advocacy of National Guilds as good propaganda, insomuch as it carried men's minds in the right direction, he was not very happy about the programme of action, which did not appeal to him as practical. In 1914 he was invited to write a series of articles for the *Daily Herald*, which later on saw the light in the volume 'Old Worlds for New' (1917). In this book he gives a qualified support to

National Guilds, suggesting modifications of their structure and insisting throughout on the need for local autonomy." [1]

The two main difficulties which he points out in the National Guild programme are: (1) that it will not be possible for the State to secure possession of capital apart from the will of the capitalists, and (2) with regard to the policy of strikes which are relied on to bring Capitalism to its knees, that it will not be possible to get the workers to strike for superior status. "Men can be induced to strike," he writes, "for higher wages, for shorter hours, against some tyranny, or to see justice done to a pal, but not for status. That is one of the results of the wage system. The average working man to-day is too down-trodden to believe he might be successful in demanding such a change. His immediate need is for higher wages and shorter hours. These are things which, to him, are definite and tangible; and, in striking for them, he feels he has a sporting chance of success. But superior status is a different matter. It is a remote issue, and, under normal circumstances, it is to be feared he would not entertain the idea of claiming it. Before it would be possible for the workers to make such a demand, their spirits would have to be raised. They would need to be

[1] "Guilds and Co-operatives in Italy," p. 143.

drunk with enthusiasm, such as might possibly be the case in the event of a general strike, when the spirits of the individual worker would be sustained by the spirit of enthusiasm and rebellion which pervaded the whole community." He then goes on to give his reasons for doubting the efficacy of the general strike as an agent of revolution, and to point out that the coming revolution, for which he quite agrees we must be prepared, will be forced on us, not by the insurgence of labour, but by the problem of over-production.

This brings us to the fundamental difference between Penty's point of view and that of either collectivists or National Guildsmen. His attack, like that of Ruskin and Morris, is directed, not so much against Capitalism as such, as against modern industrialism, founded as it is on the apotheosis of the machine and on quantitative production.

The collectivist inveighs against production for profit and individual enterprise, and looks to nationalisation and State management as the cure for existing ills; the National Guildsman, going a step further, makes the wage system the objective of his main attack, while in Penty's opinion there is a good deal to be said for individual enterprise on the one hand, and, on the other, there is nothing fatally degrading in the fact of receiving wages.

He thinks that the prime evil is one of

character and mentality, and that it pervades the whole of modern society. A revaluation of values, in his opinion, lies at the root of all methods of progress. He agrees that a higher standard of living must be insisted on, but this is not to be measured merely in material wealth, but in moral and cultural values. The earnings of the worker should include, as Morris said, "Money enough to keep him from fear of want or degradation for him and his; leisure enough from bread-earning work (even though it be pleasant to him) to give him time to read and think and connect his own life with the life of the great world; work enough of the kind aforesaid, and praise of it, and encouragement enough to make him feel good friends with his fellows; and lastly, not least (for 'tis verily part of the bargain), his own due share of Art, the chief part of which will be a dwelling that does not lack the beauty which Nature would freely allow it if our own perversity did not turn Nature out of doors." [1]

Such a standard of living is as unattainable at the present day by a wealthy profiteer as by a factory hand. What hinders its attainment is neither private enterprise nor the wage system, but—according to Penty—the brutalising influence of modern industrialism. In this view he is at one with Morris. "It

[1] "Hopes and Fears for Art," William Morris.

may well be a burden to the conscience of an honest man who lives a more man-like life to think of the innumerable lives which are spent in toil, unrelieved by hope and uncheered by praise; men who might as well, for all the good they are doing their neighbours by their work, be turning a crank with nothing at the end of it. . . . Over and over again have I asked myself, Why should not my lot be the common lot? My work is simple work enough; much of it, nor that the least pleasant, any man of decent intelligence could do if he could but get to care about the work and its results. Indeed I have been ashamed when I have thought of the contrast between my happy working hours and the unpraised, unrewarded, monotonous drudgery which most men are condemned to. Nothing shall convince me that such labour as this is good or necessary for civilisation." [1]

So true is this that the very word civilisation, connected as it is with all the artificialities, all the mechanism, social and industrial, of modern life, has begun to stink in the nostrils of those who, like Morris and Penty and Edward Carpenter, have come to look on industrialism as the arch enemy.

After inquiring into its attendant evils, machine production, huge organisations and subdivision of Labour, Penty declares his

[1] Letter to the *Manchester Examiner*, March 1883.

conviction that it is impossible to superimpose Guild organisation on present activities.

"In these circumstances it will be necessary, before taking measures to restore the Guilds, to *bring* industry back to a healthy and normal state. We must pursue a policy which will enable us to rid ourselves of the incubus of the parasitic trades by the gradual absorption of the workers into the useful ones. The way to do this, in so far as it is an urban problem, is to effect a general revival of handicraft. Such a revival would restore to industry the base which the misapplication of machinery has destroyed. Upon this base we could build." [1]

To the ordinary economist such a statement sounds like foolishness, but this is so because theoretic knowledge is kept in a separate compartment of mind from everyday observation, for anyone who takes notice of what is going on under our eyes must be aware that a taste for handmade articles, from ladies' knitted jumpers to oriental carpets and hand-made shoes, is growing pretty steadily. It was Mr. J. A. Hobson (himself an economist) who pointed out long ago that in all articles where individual taste or comfort was concerned hand work would always be preferred to machine work, and that this branch of consumption was bound, as culture and intelligence increased, to become wider in comparison with the demand for articles that could be quantitatively produced by machinery. One cannot pretend that this progress in taste and culture has proceeded very far, and one must admit that a very large proportion of our industry must be entirely unaffected by it—coal, engineering and transport, for example. It does, however, affect the building trades, textiles and all departments of the clothing trade, as well as jewellery and other luxuries.

[1] "Old Worlds for New," p. 103.

In the direction of industry the consumer has much to answer for, and it is well in this connection to remember that by far the greater number of consumers are also producers, so that any improvement of status or culture in the world of Labour will react in the direction of raising the standard of consumption, as well as its actual amount.

"Ruskin spent most of his life in trying to convince people that political economy is a moral science. He went to the root of the problem when he said: 'The vital question for individual and for nation is not, How much do they make? but To what purpose do they spend?' It is a fruitful idea, and it receives ample corroborative testimony from the writings of the Chinese philosopher, Ku Hung Ming. He says:—

"'The financial distress of China and the economic sickness of the world to-day are

not due to insufficiency of productive power, to want of manufactures and railways, but to ignoble and wasteful consumption. Ignoble and wasteful consumption in communities, as in nations, means the want of nobility, of character in the community or nation to direct the power of industry of the people to noble purpose. When there is nobility of character in a community or nation, people will know how to spend their money for noble purposes, they will not care for the what, but for the how—not for the bigness, grandeur or showiness, but for the taste, for the beauty of their life surroundings. When people in a nation or community have sufficient nobility of character to care only for the tastefulness and beauty of their life surroundings, they will want little to satisfy them, and in that way they will not waste the power of industry of the people. When the power of industry of the people in a community or nation is not wasted, but nobly directed, then the community or nation is truly rich, not in money or possession of big, ugly houses, but rich in the health of the body and the beauty of the soul of its people. . . . Ignoble and wasteful consumption not only wastes the power of industry of the people, but it makes a just distribution of the fruit of that industry difficult.' " [1]

In " Old Worlds for New " Penty may be

[1] " Old Worlds for New," pp. 115, 116.

said to have staked out his claim which he has been working ever since in a series of books which have developed and illustrated the main idea there set forth.

" The choice which we have to make is whether we accept existing society in its main essentials in the belief that the evils which it has brought into existence may be abolished; or whether, convinced that the evils are organic with the very structure of society, we seek to replace existing society by a society based upon the civilisation of the past. If the latter be our choice, we shall become stronger. We shall gain in clarity of vision and certainty of aim. But if such be not the case, and we still keep on saying ' We cannot go back,' then all I can say is that we must go forward to increasing misery, to increasing confusion, to increasing despair; and finally to that recrudescence of barbarism which science is to-day restoring under the mask of civilisation. For no pretence that things are otherwise, no compromise with things as they are, can save us from that great and universal catastrophe in which the civilisation of industrialism will find its inevitable ending." [1]

The return to mediævalism which Penty advocates involves a spiritual change, on which he has laid more and more stress in the series of his books. He never minimises the revolu-

[1] " Old Worlds for New," conclusion, pp. 185, 186.

tion which he advocates, and never loses sight of the truth "that economic health in a community is dependent upon morals; and the more one thinks about morals the more one comes to realise that their roots are finally to be found in religious conviction." [1]

Penty selects the Middle Ages as the point at which the lost thread of tradition must be recaptured, because he believes that religion was then "the creative force at the centre of society; the mainspring and guiding principle that shaped art, politics, business, and all other activities to a common end. It was, moreover, a culture which united king and peasant, craftsman and priest in a common bond of sympathy and understanding; for, unlike modern culture, it did not depend upon books, and so did not raise an intellectual barrier between the literate and the illiterate, but united all, however varying the extent of their knowledge and understanding. The mason who carved the ornaments of a chapel or cathedral drew his inspiration from the same sources of religious tradition as the ploughman who sang as he worked in the field, or the minstrel who chanted a story in the evening. Modern education at the best is a poor substitute for the old culture which came to a man at his work."

Glib scorn is poured on the mediævalist by

[1] "Guilds and the Social Crisis," p. 60.

people who entirely fail to grasp their point of view, who think the case is proved against them by pointing out that the standard of comfort and of literacy was much lower in the thirteenth century than in the twentieth, and that the lot of the labourer was more arduous then than now. These things are, of course, perfectly true, but they have nothing to do with the point at issue, and do not in the least disprove that the life of the labourer in those days was better worth living than that of the factory hand of to-day.

In advocating a system of productive and regulative Guilds chartered by the State and held responsible for the conduct of industry, Penty takes the utmost pains to make clear that such a scheme would be futile, and indeed impossible of realisation, without a fundamental change in the aim and purpose of government, but here again he turns back to the past rather than hurrying on to an untried future.

While the typical socialist shows no fear of enlarging the sphere of the State, and cheerfully proposes nationalisation as the remedy for every ill result of private Capitalism, trusting to legislation and ever more legislation by a Labour Government and in the interests of the working class as the hope of the future, Penty reverts to the old ideal of the function of the State as one, not of

organisation, but of protection, and claims that as our army and our police force are the organs of protection against malefactors at home and abroad, so the Guilds are the organ of the State to protect the worker against exploitation and the consumer against roguery and extortion. The privileges granted to the Guilds are in consideration of their performance of this duty.

It has been well said that what we have to look for under the new social order is, not the abolition of privilege, but privileges for all, and we may add that the converse and complement of this motto is "duties for all." There are to be no drones in the new Jerusalem —functions for all and corresponding rights for all.

Guilds are the economic embodiment of this principle.

CHAPTER V

THE REBIRTH OF PROFESSIONAL CONSCIOUSNESS

THOUGH we may think the thirteenth century ideal, fantastic and unreal, though we may realise that it is a vain endeavour to go back to a period of craftsmanship and small industries, yet we must be profoundly grateful to the men like Ruskin and Morris who, in an age of smug contentment, championed so valiantly the treasures that were being swept away by the rising flood of industrialism. These men are reckoned as socialists, and indeed we have no socialist literature in the language that can rival "Unto this Last" and "News from Nowhere," yet they belonged, not to the nineteenth century, but to the twentieth, not to the old socialism, but to the new. Neither of them owed a jot to the masterly reasoning of Marx. Both were men of genius who saw the truth because they loved goodness and beauty, and believed that work was the joy of life and the only means of salvation.

It has been shown in the last chapter how the truth they preached to deaf ears in the

nineteenth century has been emphasised and expanded in the twentieth. Starting where they left off, Penty has analysed the worst evils of the present day—gross inequalities of wealth, the *impasse* in production, resulting unemployment, and the degradation of Art—tracing them to modern industrialism, with its greed and immorality, and has insisted that the one hope of a sane and lasting revolution is to be found in a return to the standards and methods of the past.

A parallel has already been drawn between the Guild movement which he has initiated and the contemporary growth of Syndicalism in France and America. It is our purpose in the present chapter to examine the syndicalist attitude, and to inquire how far the professional consciousness which characterises it may take the place in certain industries of the spirit of craftsmanship which cannot find a footing in them.

Work is the basis of a man's life. It determines his relation to those around him and his mode of living. His attitude towards his work is the main factor in his mental make-up and in the view he takes of social questions.

Methods and processes of production at any given time depend, of course, to a great extent, on the achievements of technical and natural science, and on the general development of society, but they depend also on the

collective mind and will of the workers. These two kinds of influence interact on one another, sometimes one and sometimes the other appearing to be the preponderating factor in social transformation.

The best form of the organisation of labour in any branch of human activity will be that which will yield most useful products to society, satisfactory in quality as well as quantity, and will, at the same time, ensure against any waste in the mental and physical resources of the workers, and provide rather for their welfare and development. It is essential that the conditions of labour should satisfy the worker. If he is dissatisfied with his work he will find it irksome, and will take no interest in co-ordinating his efforts with those of his fellow-workers. His life will be dull and a burden. Though he may do his minimum share of work, he will not be a creative cell in the body of creative activity.

Everything that is done with intelligence, interest or pleasure bears in itself or in its results, if only in an infinitesimal degree, something of the individuality of the worker, and is, therefore, vital, carrying life with it and making the life in it felt instinctively by everybody who comes in contact with it. How often we marvel at the ingenuity and beauty of quite an insignificant thing that has come to us as a tradition from the past, from

the days when men loved their work. It bears some individual charm, some intimacy, something creative, that quickens our imagination and brings us into touch with the life that made it.

The more man is interested in his work and its results, the better will he produce, and the more joy he will find in it. His personal attitude towards his own task, in conjunction with the same attitude in many others, will serve to generate a motive power that may well turn the scale in periods of change and revolution.

It may seem that all this has but little to do with the conditions of modern industry. It is the creed of the mediævalists, of those who look to a revival of handicraft as a means of salvation, but has it any bearing on the problem that confronts those who, perhaps unwillingly, admit that the needs of our modern multitudes cannot possibly be met by the means that sufficed for the scanty populations of the Middle Ages, with their more primitive standards of comfort?

It is often assumed that capitalist large-scale production, with its monotonous, though strenuous drudgery and fatigue, and its unfair distribution of the fruits of labour, has killed out that psychological factor of production which can be called pleasure.

From the fact that machine-made goods do

not bear the stamp of the individuality of the producer, it is inferred that the worker at the machine takes no personal interest in his work and the product of his work; that the detailed and specialised labour—the same work done week after week, year after year, with the same movement and under the same conditions—has darkened the mentality of the worker and made him an insensitive and hopelessly uncreative being, fit only to be led or driven by "superior brains."

If this were true, the future of Labour under industrialism would be past praying for, and those who believe with Morris that the value and happiness of a man's life are to be gauged by his work would be forced, like him, to fix their hopes on a return to hand labour and the small workshop of the Middle Ages, where a man could really take pride in his job and could graduate in his craft by the production of a masterpiece. The idea of such a return may be a delightful dream, but under present world conditions it can be only a dream, except, as we have shown, in a few branches of production where culture and enlightenment may foster an effective demand for high quality in the goods produced. Unfortunately, it is only an infinitesimal proportion of industry that is suceptible of this development of a qualitative demand. In all our great industries which supply the urgent

needs of our vast modern populations, machinery has come to stay. Is it true that in these there is no chance of a revival of human interest in the work, no hope that the "hands" may once more become men?

If we examine the facts of production during the last twelve or fifteen years, especially, perhaps, in America, we shall find that there is no reason at all to take this gloomy view of the future of industrial labour, for we can find abundant traces that a spirit is arising among the workers which bids fair to transform the whole system of industrial production.

In spite of the sincere efforts of the mediævalists, hand-labour and artisanship have not come back. On the contrary, the process of industrialisation has never stopped and never diminished in intensity. If, then, the modern form of labour is so monotonous and deadening, where did this new stimulus come from?

Modern industrial evolution closed the first cycle of its development when it had achieved the production by means of machinery of all the staple articles of commerce, whether articles of utility or implements for manufacture, and when, in agriculture, natural science had begun to aid the productivity of tools and machines.

During this first cycle the chief concern of inventors, managers and owners of industrial enterprises had been to make the processes of

production as mechanical and automatic as possible. They were quite unconcerned with the mentality of the workers. There was a concurrent relevelling of the different grades of labour. The old skilled trades became limited, or were entirely wiped out, and unskilled or semi-skilled operators flooded all industries.

At this stage the workers came very near to becoming mere automatons, following mechanically the movements of the machines performing continually the same actions, and producing, in most cases, only an infinitesimal part of the completed work. They were ignorant of the nature of the process of production in which they were engaged. Their labour was one monotonous drudgery, demanding no thought and often no skill.

But now a new cycle set in, a new tendency began very gradually to make itself felt. As soon as the mere mechanical process had been brought to the point of perfection, as soon as there seemed no prospect of sensibly increasing the margin of profit by any further development, inventors and managers were forced to look for some new device for increasing productivity.

It was soon found that, within the mechanical process itself, though it may seem paradoxical, there is room for intelligence and knowledge, that the output of the machines is modified

both in quality and quantity by the methods of working them—by the goodwill and capacity, in short, of the despised "hands."

It was discovered that complete success in the new modes of machine-production could not be attained by employing unskilled workers who are stolid automatons, but only by employing workers of superior mentality.

Work in the shops would have to be entirely reorganised on new lines. In order to raise the productivity of the machines, it was necessary that the workers should be taught the scientific principles on which they are built; that they should know their speed and the nature of the material handled—that they should, in short, have a complete knowledge of all coefficients of the productive processes in which they were engaged, in order to be able so to work the machines as to give the best results.

Mental skill was now seen to be of paramount importance in maintaining and developing all processes of production. Thinking workers were needed in all branches of industry, and not mere muscle. However far the perfecting of machinery was carried, it still required intelligent watching and handling to keep it in perfect working order.

High intelligence, technical aptitude and professional culture are wanted to-day in all the more highly elaborated industries, while

in agriculture, intelligent observation, care and scientific knowledge are specially in demand.

Modern industry conducted on intelligent lines claims from the workers knowledge—both intuitive and acquired—conscious speed and nervous intensity, and above all a sense of responsibility. It does not benumb, but rather quickens their spirit. It definitely prefers those who, by virtue of their intelligence and knowledge, grasp most rapidly changes in method of production, to those who can bring to their work only sheer muscular power and physical endurance.

The notion that work becomes more and more mechanical and uniform is based on superficial observation. The truth is that transference of knowledge and skill from the management of the worker is the new tendency—that, in short, the task and the mind of the workman are broadening.

The fact that labour is losing its monotony and becoming more and more interesting opens up many new possibilities. The professional training of the workers and their attitude towards their work is becoming the core of the problem of production, and consequently of the social problem.

Industrial evolution is taking a new departure. Both capital and labour are confronted

by a new necessity, and on the method of meeting it the future of society depends.

Capitalism, forced by international competition, is bound to reorganise its industries on scientific lines, in order to put on the market continually better and cheaper goods.

But where are the efficient workers to be found indispensable to this reorganisation? Employers find themselves forced to reap the harvest they have sown. The overwhelming mass of the workers have been systematically reduced to mere machines, the more sluggish and biddable the better, and now it is found that such men are absolutely unavailable for the newly organised industries. It becomes apparent that a complete revolution in the mental attitude and in the capacities of the workers must precede, or at least accompany, the reorganisation of the industries.

The point is that in the new type of industry deftness, speed and mental intensity, together with a hearty readiness to co-operate with the management, are the conditions of success. Unless the whole intellectual and spiritual atmosphere of the staff is changed, unless the mood of the workers is in sympathy with the work, unless the spirit of the shop is one of progress, failure becomes inevitable.

If, in short, the process of production is to go on perfectly and uninterruptedly in an up-to-date enterprise, the worker must in

some way be stimulated to make a special and continuous effort.

This special effort cannot be developed by means of intimidation. The new methods of production call for a new type of discipline. Employers realise more and more that the old system must be given up, a system that never brought the worker as an individual into intimate relation with his work, but maintained in essentials the relation of master and servant.

Since the special effort cannot be called forth by any extra stress on endurance, but only as a result of greater intelligence and a change of mental and moral attitude, the stimulus must come from a new source. It must come either from economic self-interest or from technical pride in the work itself and a sense of responsibility.

Many capitalists have set themselves the task of devising a stimulus powerful enough to call forth this new mood, this special effort. First of all, they induced the men to submit to a scientific training by experts within the workshops. They then tried to stimulate the workers so trained to keep up the newly acquired pace and method of work by means of profit-sharing, permanent premium and bonus systems.

This proceeding, though increasing enormously the output, has, on the other hand,

led to an even disproportionate increase in the expenses of management. Instruction by experts not only was in itself very costly, but it developed animosity among the workers towards the management, and the much-desired harmony was found to be further off than ever.

The short-sighted self-interest of the captalists militated, moreover, against their success, for, though they were willing to give up some share of their enhanced profits to the workers, they would not consent to such general improvement in working conditions as would have counterbalanced the increased effort demanded by the more exacting methods to which the increase of profit was due.

Capitalists were, moreover, acute enough to see that it would be against their economic self-interest to bring about that complete change of attitude which is the basic condition of the successful application of the new scientific principles. To drive the workers to the acquisition of increased speed and skill was, of course, to their interest, but to awaken in them a deeper moral impulse and a broader technical attitude was entirely beyond their programme.

Thus a limit was set to the new method of advance. The only line of development which held out promise of a real increase of output brought Capitalism to an *impasse*. The problem seemed insoluble. Could it be solved by the workers themselves? and what was their attitude towards it?

Where the men were induced by higher wages, rather shorter hours and the bonus system to submit to the new way of scientific training, they soon found out that the meagre material advantages of the new situation were far outbalanced by the big mental strain and loss of health that it involved. They found that though they might be put in a position to earn more, it was only for a short period, because the intense strain of the new methods exhausted them quickly and soon dropped them to a lower level than ever.

Many Trade Unions took a definite stand, not against the scientific character of the new system, but against the methods employed to introduce it and against their immediate consequences on the unions themselves. They foresaw a serious menace to their existing organisations and a serious hindrance to further organising. Profit and bonus schemes were found to be powerful means in the hands of employers of detaching one group of workers after another from the organisations, and of enabling the capitalists, by disrupting the organisations, to dictate conditions which would have subjected the workers to the new scientific slavery.

Nevertheless they were not blind to the

elements of real progress in this new departure. They realised, on the one hand, that if they accepted this new system of labour, individually, or small group by small group, they would become greater slaves than ever, more at the mercy of managers and experts, that they would be exploited and exhausted to the utmost, with no vigour left for anything outside the regular routine; but they saw also that by accepting the new scientific method of work collectively through their organisations, *i. e.* by collectively setting the terms of its acceptance, there was a possibility of making it a source of benefit.

If we look back to the early days of the capitalist era we shall find a very different attitude towards innovations from that which is prevailing to-day. The workers in those days were unconditionally hostile to the new machines and new methods of production, bent very reluctantly to the blind discipline of the factory and rebelled against all innovations. Now, on the other hand, they turn with sympathy and interest to new methods of controlling the productivity of labour, and to all the new problems that arise in their train.

The fact is that the demand for wider training and a higher mental calibre cannot fail to call forth in the long run a revolution in the outlook and the will of the workers. Since most modern enterprises claim from their workers

knowledge, intelligence and nervous energy, they are beginning to recognise that it is the business of their associations to create and foster these characteristics. The aim and functions of labour organisations are bound to undergo a change corresponding to the change in the methods of industrial production.

The struggle at first was for higher wages, shorter hours, better conditions. It now begins to be a struggle for opportunities for mental development and for encroaching control, not only over discipline, but over the processes of production, a struggle for the chance of fitting themselves individually and collectively for their future task—the task of eventually replacing Capitalism in the direction and conduct of industry.

It was not, of course, this aspect of the matter that presented itself to the workers in the first instance; it was rather that, since broader responsibilities were being put upon them, they wanted a voice in the way in which those responsibilities were to be met—in other words, in the technical organisation and administration of the enterprise.

The new discipline required for the new methods must have a social basis, the spirit of profit must be replaced by a spirit of service, which can be established only under the collective control of the producers. What is

wanted is that the workers should willingly submit to the new training, absorb its principles and carry them out on their own initiative, without being driven to do so by experts and managers. Such a state of things is incompatible with a capitalist régime.

As long as man remains an automatic adjunct to the machine, actuated not by his own brain, but by external compulsion, the efficiency obtained will be that of mere methods and a small group of experts, and will be applicable only within a very limited sphere, and of use only to the capitalist.

It remains for the workers to realise the immense value of the strategic position which has accrued to them partly as a result of their past efforts, but partly also as a result of the automatic evolution of machine industry. If only Labour will set itself the task of organising production on these new lines, the collective voice will gradually become more and more authoritative, until an entirely new position has almost unconsciously been gained.

They will have solved the problem of the reconstruction of industry by creating the state of mind for carrying on production on the lines of progress, for they will have achieved the task of providing the stimulus, the incentive that has power to lift the workers from the level of unthinking automatons to that of the efficient human producer.

Such a position would be of untold importance, for it would engender new sentiments, new desires and new needs. Far from feeling that they were mere instruments in the hands of others, the men would realise that they were the creators and directors of machines; their outlook would widen; their interests grow and multiply; they would become more and more interested in the processes of production and in their social consequences.

Their economic self-interest, running in the same channel as their moral and technical interests, would develop a new stimulus, and make them wish to become, at any sacrifice, better producers. The social value of such a stimulus is incalculable.

Capitalism has failed in creating such a stimulus, and will be gradually forced to accept the new situation, gradually ousted from its position of paramount control. Its fall began when it found itself compelled to come to terms with the workers in reference to the new system of work, and since it came to terms, not with the individual workers, but with their unions, it ceased to be the sole legislator for the discipline of the factory.

The inner meaning of all this, from the special inducements to the acceptance of the new discipline, is that Capitalism is weakening at the point where it used to appear unassailable; whereas it has hitherto claimed to be

able to run its industries without the co-operation of the workers, it is now beginning tacitly to admit that henceforth its very existence depends on the forces it can array against the organised efficiency and collective will of Labour.

The directive functions of Capitalism are being undermined. The sense of efficiency in the workers, which is mellowed by social vision, has come into open competition with the efficiency of the capitalist, which is limited and hardened by individual profit seeking. From this it may seem only a step to conceive a future when labour organisation will completely supplant the capitalists and their employees, but it is important to realise that the change will probably be, in fact, very gradual, and therein lies its chance of success.

Capitalism is still a going concern of enormous scope. Its sudden collapse would be a catastrophe that would wipe out a civilisation. The importance of the line of evolution which we have been trying to trace is that it seems to hold out hope that organised Labour, the infant Hercules, may gain strength and wisdom in the service of an enfeebled and expiring parent whom it will presently succeed.

CHAPTER VI

PROFESSIONAL CONSCIOUSNESS AS AN AGENT OF REVOLUTION

It has been maintained in an earlier chapter that the root evil of our present society is the degradation of man which is inherent in modern industrialism. One way of attacking the evil would be by a return to earlier methods of production, but since this way seems to have become impossible, an attempt has been made in the last chapter to show how an escape may be found for the unconquerable spirit of man even through the fetters of machine production. The syndicalist movement was immensely significant to those who saw in it a hint and foretaste of this way of escape.

The evil was, to quote once more from Mr. Penty, "that it cut at the root of human development, thwarting the creative impulse that is inherent in man, for, under such conditions of labour, culture can no longer come to man through his work, as it came to the mediæval craftsman; and as culture through vocation is for the great mass of men the only

means of approach, it follows that it is vain to attempt to build up by evening classes and free libraries what the day's work is for ever breaking down. Men who are degraded in their work have no taste or inclination for such a superimposed culture. For culture, to be real, must be part of the life a man lives."

Can this culture through vocation be recaptured without a return to earlier methods—on the new plane of production which seems to most of us inevitable? Is there not ground for hope in that dawn of professional consciousness among the producers which sees in the organisation of production a supreme task that goes far beyond Labour's immediate condition, and conceives of work not merely as such, but in all its social and spiritual relations?

The new hope lies in this—that the economic self-interest of the workers will combine with their moral and technical interests to form a new social force. Professional consciousness becomes a moral power, becomes the morality of the producer, and the one essential lever of social revolution.

If once the workers begin to realise that by increasing their knowledge and efficiency they make it possible to widen the scope of their Trade Unions so as gradually to curtail the power of the capitalist in the factory, they will soon learn to demand all possible scientific

improvements in the processes and management of production. For they cannot help seeing that by thus curtailing the power of the capitalist they are advancing towards social revolution, and that its actual achievement is really a question of efficiency. To destroy the domination of the capitalist by substituting for his capacity the higher capacity of the worker, presupposes a widespread technical training and a change of attitude in the rank and file of the workers, a change from the defensive to the creative spirit.

This new departure in the class struggle—which will have become a struggle for function—is marked by the fact that the interests and activities of Labour, social and political, are now intrinsically connected with the problems of production. These are now supreme. As machinery comes to be considered as the collective property of the workers, they will be vitally interested in its improvement and better handling. The duty of earning a better living by increasing their own personal efficiency in all directions will have been elevated to the level of a public responsibility.

This change in the attitude of the workers will, of course, be gradual, but they will learn step by step that it is only by preparing themselves to undertake the original function of the capitalist that they can bring any real and lasting modification into the capitalist system. They

will see that political reforms cannot bring about essential modifications in the relations between capital and labour, cannot limit the power of the capitalist in the factories, cannot change the action and attitude of the workers, cannot give fresh scope to the processes of production, nor new significance to Labour. They will learn, by means of their own practical experience, that by organising themselves with this new end in view they can change the economic structure of society, and can thereby mould its legal, political and moral superstructure.

As capacity matures, a sense of responsibility will mature with it, and the demand to take over and manage production—their own job—in the interest of the community will become insistent and eventually irresistible. At present, of course, this attitude, this professional consciousness is to be found in only a small minority of workers in any country, and has shown itself chiefly in the Syndicalist and Guild movements, but though these movements may seem to spell defeat and failure, the mentality behind them is a live force, and will carve for itself a channel of advance, the only channel towards sane revolution.

That mentality consists in a consciousness of the dignity and importance of labour considered, not as an isolated activity for maintaining one's existence, but as a social factor

that enters into and determines all human relations; it implies a realisation that the attitude of the producer towards the process of production is the dominant factor which will determine the impending social order.

When once the workers, by means of their organisations, have raised themselves above the degrading servitude of Capitalism and the almost equally degrading tutelage of the State, and have become free men, full of initiative, with faculties awakened by collective independence, they will soon realise the full implications of their regained manhood as the nucleus of a new social crystallisation, the embodiment of a spiritual force destined to break asunder the old world and create and hold together the new.

Realising that their gain in power and status is due to the new claims made on them from time to time by their organisations, they will become aware that any real advance must be won by activity, each new responsibility undertaken opening up the way to a fresh field, until professional consciousness becomes the main motive and "urge" in everyday life. But strength gained collectively must be collectively used and maintained, and is destined to become a constructive social force, while individual gains are just as surely destined to be wiped out.

The two great principles which together

form the basis and starting-point of the new Socialism are: first, that all progress must be collective progress, all action joint action, and, secondly, that Labour must eventually shoulder the whole task of production, must so enlarge the scope of its organisation as to enable it to cope with the vast problem of sustaining human life. Full acceptance of collective responsibility for this fundamental service is the sole guarantee that the Labour movement is on the road to social ascendancy.

The road is, of course, a very long one, but it is only by keeping the end always in view that it can be safely travelled. Every deviation must be avoided, however plausible it may appear, which does not foster the right spirit in the rank and file of the workers—a spirit of courage and initiative, of responsibility and service.

The immediate task of the movement, a task which nothing must be permitted to hinder, is the intellectual, technical and moral preparation of the workers, to sow the seeds of a true professional consciousness, a morality of producers.

The recognition of this supreme task—the formation of efficiency—reduces to order the chaos of conflicting ideas and motives. It alters a man's whole outlook on life; he becomes far more keenly aware of the technical

nature of work, of the necessity for avoiding the waste of human energy and natural resources, of the need for systematic organisation within the workshop and throughout an industry. His own position in the social organism once recognised, he obtains a firm standpoint from which to survey political and social problems. He is enabled to form his own opinion as to the nature and extent of the changes required, and will not rest until he is doing his utmost to bring them about.

As the new spirit spreads more and more widely, the individual becomes more deeply imbued with professional consciousness, the kernel of which is to look on one's own work as a social profession of social importance, and not merely as a means of getting day by day what is required by one's family.

Where this consciousness prevails, where Labour has come to be regarded as a civic duty, the productivity of industry is bound to increase, for the workers will be imbued with an urgent initiative that will drive them on towards the conquest of conditions that may make Labour a source of pleasure to all.

This new morality of the producer is the foundation of the future structure of society. Just as the sordid morality of the early economists has set its stamp of unblushing and callous greed on modern industrialism, so this newborn sense of collective service will impose

a new form on the coming social order, a form in harmony with the needs and tendencies of the new morality.

This birth of professional consciousness, of which we have been tracing the outcome and implications, is no figment of the imagination, but an actual social phenomenon. There is nothing abnormal or surprising about it. What was abnormal was rather its suppression during the capitalist period. It coincides with the most fundamental tendencies in man, it is the instinct of workmanship acquiring social consciousness. The source is exhaustless, for it is the expression of the pressure of organic growth. Growth processes, either of mind or body, can be maintained only if they have scope for action; curbed and restrained, they gradually degenerate and disappear.

This instinct, once awakened, inspires to a certain course of action, and every step consciously taken in the right direction brings its own reward in a sense of satisfaction and in courage for fresh endeavour.

This revolution from within, this change of mentality in the more advanced groups of workers, is a potent factor of social reconstruction. It arises spontaneously as an incident of the evolutionary process, but a moment comes when, taking on a life of its own as a main outcome of that process, it must create for itself a new environment and mould

the course of events, thus actually creating something essentially new.

This act of creation is, unfortunately, no necessary and predestined result of social evolution. The instinct in question may be smothered by opposing tendencies so as to lose its original and vital *élan*. If it is to be effective, if it is to call out new forms of action and inspire the workers with a new outlook on the future, the fire must be kindled simultaneously in many minds; there will be a moment of birth when the new spirit will take on definite form, if it is not to be lost or turned aside in the slow drift of evolution.

There must be revolution, a revolution of the spirit, and, following on it, a conscious adaptation of a programme of action inspired by the conviction that social revolution is not merely the creation of a new form of society, but the creation of character and of capacity.[1]

[1] For the adverse view to that here stated, viz., that "Democracies of Producers" are bound to fail in "the actual ownership and organisation of the means of production," which is at present the orthodox Socialist view, the reader is referred to "A Constitution for the Socialist Commonwealth of Great Britain" by S. and B. Webb, Chap. II.

CHAPTER VII

ENCROACHING CONTROL

It may strike a reader who is conversant with the writings of English National Guildsmen that the revolutionary process which has been traced in the two preceding chapters has but little in common with their forecast of the probable line of approach towards workers' control of industry. The goal is perhaps identical, but the process, the attitude, is entirely different.

The National Guildsman starts from the original purpose of the Trade Union, that of curtailing or restricting the power of the employer with reference to Labour, and looks forward to a future when this control will become more and more effective, and will gradually oust the capitalist from his industrial supremacy. To quote from Mr. Cole: "Trade Unions can to a great extent impose conditions upon employers with regard to the terms under which industry is to be conducted, but they do not themselves actually prescribe the methods of industrial administration. Every collective bargain that is made by a Trade Union with an employer or Association of Employers embodies certain restrictions upon the manner in which the employer is to run 'his own business.' Every working rule or by-law which the Trade Union lays down for the observance of its members is also an instance of such interference and restriction. . . .

"In this indirect sense there can be no doubt that Trade Unions do to a considerable extent control industry. In the great industries there exists a mass of what we may term 'Trade Union Legislation,' that is to say, direct agreements between employers and Trade Unions which bind the organisers of industry as firmly as Statute law. . . .

"The negative character of this control does not alter the fact that it is a real form of control, and that by this negative interference the Trade Unions are playing an increasing part in the administration of industry. Moreover, the line is sometimes hard to draw between negative and positive control, and it is easy to see that by a greater extension of their power of intervention and of laying down conditions by which employers have to abide, the Trade Unions might pass to a more positive form of control, beginning, perhaps, within a restricted sphere, but capable, at least in theory, of indefinite expansion." [1]

The four words "at least in theory" no

[1] "An Introduction to Trade Unionism," G. D. H. Cole, pp. 103–105 (Part IV. "The Future of Trade Unionism").

doubt provide a saving clause, but this view as to the future of Trade Unionism, and the whole scheme or plan of campaign suggested by it, seem open to question. Such a policy of encroaching control is well adapted to strangle capitalism, but is it equally well adapted to provide a substitute?

We are out for revolution, and revolution must be positive, not negative. The problem is largely psychological.

The coming of a new social order depends, as we have tried to show, on two main factors, efficiency and will. If the workers were capable, not merely of controlling industry, but of becoming responsible for it, and if, moreover, they were inspired with a determination to make it their job, the coming of the revolution would be assured.

In the treatise quoted above, Mr. Cole goes on to point out certain obstacles which stand in the way of the achievement of workers' control. The selection of these "obstacles" underlines the divergence of his point of view from ours. The first is, inadequate organisation, overlapping between one Trade Union and another: "Before we can imagine the Trade Unions exercising any complete control, we have to imagine a drastic reconstruction of the machinery of the Trade Union Movement."[1]

[1] "An Introduction to Trade Unionism," G. D. H. Cole, p. 106.

The second obstacle, though it is mentioned separately, also falls under the head of inadequate organisation. It is the fact that "the higher grades of management, and still more the professional grades which take an important part in most industries to-day, are left at present almost entirely untouched by organisation, or at best are organised apart in associations of their own. If the Trade Unions sought to control industry in any complete sense, they would be confronted with the necessity either of bringing into their ranks the professionals and managers who perform essential industrial functions, or else of training up within their own ranks men capable of taking their places—a task which would be further complicated by the necessity of retaining these men within the Labour Movement when, after they had been trained by the Unions, the employers tried to entice them away with tempting offers of salaried positions."

Now it is quite true that both these defects of organisation are obstacles in the way of the conduct of industry by organised labour, but they are on, so to speak, a lower plane than the psychological obstacles which bar the way, and moreover there is reason to think that if these latter were removed, the former would soon be swept away by the course of events.

To put the matter more plainly: Labour organisation would tend automatically to fall

into industrial lines when once the *raison d'être* of organisation was to produce, rather than to interfere and restrict. Rivalry under a régime of production might exist between one industrial enterprise and another, but not between Trade Unions nor between crafts.

Again, with regard to the technical experts and other members of the Salariate: if the workers felt themselves responsible for production and impatient of the waste, hindrance and obstruction incident to capitalist control, they would become deeply interested in industrial processes and the details of administration. Surely under these circumstances the professional experts and managers would find it more inspiring and more satisfactory to serve under a Board of Managers composed of workers, keen about the work and versed in its details, than under a Board of Directors who were concerned only with profit-making.

These defects of organisation mentioned as obstacles by Mr. Cole are serious rather as symptoms of lack of intention and preparedness on the part of the Trade Unions for the great task that lies before them, than as definite obstacles in its fulfilment.

A change of attitude, of mentality in the rank and file of the workers, is the one essential requisite. Given *will* and *efficiency*, and Capitalism is doomed, but will and efficiency cannot be generated by a process of bargaining with

the employer, nor by any guarding, however viligant, of the rights of wage-slaves.

Human nature is so constituted that a change in a man's character is, as a rule, produced through a course of action, and by means of the formation of habit. True one does hear of sudden conversions like that of Saul of Tarsus, but such events are rare, and depend on heavenly intervention. We cannot count on their taking place simultaneously throughout a vast group of men. The spirit of "ca' canny" is not the spirit of creative revolution.

It was characteristic of Syndicalism to value the strike not so much for the sake of the improvement it might secure in the lot of the worker, as for the training it afforded in solidarity and professional consciousness, and, above all, in tenacity of purpose, a tenacity sustained by a sense of mutual confidence engendered by acting and suffering together. New hopes and new ties come into existence with each new struggle. There is nothing like joint action for keeping alive collective consciousness. If industrial cohesion and moral solidarity can serve to tie up whole industries and put a stop to the whole process of production, the workers cannot fail to realise the controlling power which their function bestows on them when they choose to exercise it.

The coming of a better social order depends

on two, and only two factors: efficiency and will. The chief value of the strike is not as a weapon in Class Warfare, but as a training of will. Every victory, and indeed every well-fought fight, whether successful or unsuccessful, brings home to the workers a sense of power and a desire to exercise it. It is essential, of course, that the wider outlook, the social ideal, should be kept before their eyes, that, in fighting for immediate necessities, they should never forget the larger issue, the ultimate goal. Each great struggle will then become a revolt against the existing order, a sign of social insurrection.

Strikes are the factories of social solidarity; in them, first unconsciously, and later consciously, the call for a new era is being elaborated. Latent within them lie large issues.

The tremendous strikes of recent years, whether they are lost or won, shake present institutions to their foundations, launch new ideas, create new habits of mind and action, and from every big strike the Unions emerge with swelled ranks.

As the monopoly of labour held by the Unions becomes more and more complete, they are able to push their claims until they reach the margin which the orgainsed capitalists, who monopolise the means of production, declare to be prohibitive. To insist on going beyond this limit is a declaration of

war; and it must be remembered that the strategical position of the employers is very strong, for in case of a lock-out or of a business being closed down the Unions have to support their members. Even in times of industrial peace they have to exact such heavy levies to prepare for coming struggles as to neutralise any eventual increase of wages.

Even when they hold a monopoly of labour, the Unions are not really masters of the situation. They may dictate as to wages, but they cannot force the owners of industries to employ all their members at full time.

This situation marks a crisis in the history of the Labour movement. It must be dealt with—if progress is to be secured—by new methods inspired by broader aims. The old methods of action cease to be applicable and become even dangerous. By straining the capitalist system to the breaking point, they begin to react against Labour.

There comes a time when the force accumulated in the Trade Unions by means of labour monopoly must find an outlet, a new form of expression. The monopoly exists only on the condition that it is exercised. If no use is made of it, it will break down. If the Unions remain inactive, if they rest content when they have reduced, or are gradually reducing Capitalism to stagnation, they will not be able to increase, or even maintain their

past gains or the improvements they have wrought in the mentality of their members; they will enter on a period of decadence.

As soon as the Unions have secured, by means of labour monopoly, a complete negative control, they must proceed to a new phase of activity on pain of losing what they have gained. The next step is to obtain control over the means of production. For this next step they have been going through a long and arduous preparation, provided that the struggles of the past have been undertaken in a true spirit of revolution, and not in the reformist spirit, content to gain little by little a better position for Labour. The real difference between Socialism and mere reformism is, after all, a difference of spirit, not of method. "Socialism is the organisation of the Labour revolt against a society of masters and slaves. Its aim is not to make a comfortable berth for the workers under the capitalist régime, but to make an end of that régime. From this point of view Socialism concerns itself less with the interests of the present than with those of the future, or, rather, it defends present interests only when by so doing it is securing the future. Reformism sees in reform nothing else but reform. It considers only the material results however obtained." [1]

[1] Hubert Lagardelle, "Le Socialisme Ouvrier," p. 244. Translation by E. T.

If the struggle for workers' control by means of labour monopoly has been carried on in the spirit of Socialism, not of reformism, then every incident of that struggle will have prepared for its new phase and sown the seeds of creative revolution.

A sense of solidarity, a consciousness of power, and a determination to use it will have been strengthened by every effort, by every success. No longer content merely to hamper and impede, a time will come when the workers realise that they must themselves take up the task that they have made too hot for their masters. Success will have given birth to responsibility, and a new era will have begun.

CHAPTER VIII

THE NEW INCENTIVE

If the struggle for labour monopoly and, by means of monopoly, control had been carried on in the right spirit—the spirit of Socialism, not of reform—the organisers of Labour would have realised the immense importance of professional training for their members and the duty of discovering better methods of work. Instead of preaching the short-sighted doctrine that the employer should be hampered as far as possible by leisurely and even careless work, Labour leaders, with an eye to the coming revolution, should have realised that an intelligent interest in the processes of production and habits of strenuous application were of infinitely greater importance in the long run than the attempt to force the hand of the employer by giving as little as possible for stinted wages.

Nothing demonstrates more convincingly than this the ignorance and narrowness of outlook of the average Labour leader, and his inability to understand the fundamental pro-

blems of society, even though he calls himself a socialist. They do not perceive that when Labour organisations put forth a special effort to improve the technical capacity of their members they inevitably awaken in them, by so doing, a desire to reorganise the work itself. This desire, as it grows stronger, intensifies the demand for better conditions. If the workers feel themselves capable of working better under certain new conditions, if they are conscious of new capacity, then they will fight more energetically for those conditions. The battles waged by fit and capable workers determined to obtain free play for the powers they knew themselves to possess, would be a very different matter from the fights of to-day for an extra shilling or shorter hours.

Socialists as a rule fail altogether to realise that the very fact of being a better producer, even the possibility of becoming more efficient, will hearten the worker in his demands. He will find himself in this dilemma: he must either obtain a wider field where his greater efficiency stands a chance of being recognised and fairly rewarded, or he must surrender unconditionally. There is no other choice.

It is not as if he stood alone; when he sees hundreds of his fellow-workers in the same position he cannot fail to realise that, with their organisation behind them, they are quite

capable of running an industry for themselves without a capitalist employer.

Of course, this capability for independent action will not be obtained all at once. As we have seen, it is to the interest of the capitalist to teach the workers some technical skill, but he will take good care that they shall not acquire too complete a knowledge of an industry. It is enough for his purpose when the workers develop a single line of efficiency, for he has no wish that they should lose the sense of being wholely dependent on his own executive ability. The fiction of the capitalist as the brain of industry without whose marvellous capacity the workers would be entirely useless will die hard. A kind of modern hero worship has grown up round the capitalist as a "Captain of Industry." He is idealised for sagacity and creative power, and looked up to as the God behind the machine of modern civilisation.

It does not occur to his admirers to consider that if he enjoys that position it is only fair that he should be held responsible for the hideous failures of the civilisation which he upholds—for the millions of mothers and of children employed in factories, for the slums of our great cities, for industrial accidents and constantly recurring unemployment.

As a matter of fact these "captains of industry" as a rule know nothing about the

actual working of factories. They "organise" the industries on the Stock Exchange or in the Banks. They are financiers, not industrialists. The men who have brought industry to a higher level technically and have organised it scientifically belong, for the most part, to the more or less obscure army of inventors and professional men whose brains are hired by financiers. There was a time, perhaps, when such men had a chance of becoming captains of industry, but that time is long past.

Inventors are, in a sense, the artists of industry. They invent not so much for money as for their own intimate satisfaction. Creative impulse forces them to invent; they cannot help inventing; they would invent under any economic system. It seems likely, however, that many inventors would have done better, many good inventions would not have been killed and many new ones made, under a social régime securing opportunity, freedom, and social stimulus, in a society encouraging co-operation instead of profit-making.

Just because the success of the new society will depend on the possibility of securing a more intensified and more economic method of production, and because the quality and quantity of production depend to a great extent on the capacities of the workers, a high standard of technical education becomes of the utmost importance as a revolutionary measure.

The majority of inventors at the present day belong to a privileged class, with special opportunities for study, though even under present conditions there have been many brilliant inventions made by unlettered workers. It is most desirable that opportunities for leisure and for study should be given to all workers, so that all may co-operate in devising new means of production.

If the revolution we are working for is to be indeed creative revolution, if Labour and Labour organisations are really to replace capitalist organisations, if, in short, Labour is, in the coming social order, to employ capital, instead of capital employing Labour, it is, of course, essential that Labour should be prepared to fulfil the whole function of capital.

Now as we are always having it dinned into our ears, initiative, individual enterprise is a vastly important element in this function. It is of little use to show that industries once started can be carried on efficiently by Labour without any admixture of capitalist control; the really important inquiry is as to whether new industries will be started and new departures made without the powerful impetus of profit-seeking. There is no doubt that Socialism of the collectivist and political type tends to be static. What hope is there of a new Socialism that shall be dynamic? Is it true

that the push and energy which characterise the Anglo-Saxon race in England, and even more in America, can be roused only by the desire for gain? It seems incredible. What additional pleasure can a Vanderbilt or a Leverhulme derive from the possession of an extra £10,000. And yet a millionaire seems always ready to embark on a new venture.

The fact is that active, energetic people are not attracted by the prevailing type of Socialism. Why should they be? To such people there is nothing inspiring in "gas-and-water Socialism." The sort of man who, two or three generations ago, was, unfortunately for us, employed in "building the empire," and getting great fun out of the process, has not the least wish to settle down as a Government official in the Post Office or some similarly run State undertaking. He would far rather risk his life and any capital he can lay hands on in some new country where adventure is still possible. Until Socialism and its ideals undergo such a change as to make them attractive to the energetic, enterprising, risk-loving Englishman, it will never have a chance of pushing Capitalism out of the way. Can it be seriously supposed that what drove our forefathers to the ends of the world was really pursuit of gain? Are not these adventure-loving people just as often to be found in the Army and Navy as in the ranks of industry?

Is it love of gain that makes them soldiers or sailors? Is it not true that the pushing, energetic, adventurous lad in a stockbroker family is much more apt to run away to sea than to embark in his father's money-grubbing? Whence comes the absurd delusion that it is only the love of money that will rouse enthusiasm and start enterprise? If Socialism has failed to capture the creative and adventurous spirit of our race, it has only itself to blame. Socialism must somehow acquire the active energy which is now expended in building up American industries before it can dream of replacing them. It is all very well for socialist economists to devise schemes for a Guild State, but the first, the really essential step to take is to set things going by rousing creative enthusiasm in the rank and file in place of dogged endurance.

Loyalty to the Union, staunch devotion to the Labour party, are excellent things, but neither singly nor together will they ever bring about an economic revolution. The initiative, enterprise and ingenuity which launched the industrial revolution and carried it forward on its victorious career through the nineteenth century must be rivalled by initiative enterprise and ingenuity at least equally vital and intense, if the socialist revolution is to sweep away profiteering and establish a sane system of production.

The impulse towards action is constantly mistaken for the impulse to acquire. The adventurous spirit, the desire to create, the determination to force the soil to bear wonderful crops has far more potency than the economists are prepared to admit. Take such a book as Hamsun's "Growth of the Soil." Does not the reader realise that the fierce enthusiasm of effort with which the hero sets to work to turn the wilderness into a fruitful land is true to human nature, true to the universal underlying character of man's life on earth? Surely it is the creative impulse that drives him to action—just as surely as it drives the poet; it is not greed, but the desire to do and to make. We must realise that the whole course of life of a factory hand in one of our slum towns is calculated to suppress and annihilate this noblest and most human of our impulses, and that there is nothing, or almost nothing, in our methods of labour organisation to rouse it. It is really pathetic to see how the meagre rills of creative instinct that do find their way to the surface among the men and women of our Labour movement are side-tracked into dances and "socials" and "bazaars," utterly diverted from the vital purpose of revolution. Any robust impulse towards self-expression—the feeling Walt Whitman called "arrogance"—can find satisfaction neither in the apparently fruitless,

political party work, voting and cadging for votes or subscriptions, nor in the usual socialist ideal of a tremendous human bee-hive, in which everything would proceed on set and regular lines, leaving no scope for individual initiative and spontaneous developments.

Socialism is concerned to show that a socialist society will not necessarily put an end to individual incentive, but this is not enough. It ought also to realise that such incentive must be the mainspring of revolutionary action and organisation, so that true Socialism cannot be born without it.

Instead, therefore, of intensifying the initiative of a few favoured individuals, it is of the first importance to have the greatest possible number of persons full of resource and imbued with a sense of responsibility. In such a community the sum total of the active tendencies of growth will be far greater than in a social organisation which gives to a few men only the opportunity for occupying responsible positions and directive offices.

A form of organisation that would favour a widespread intensification of individuality need not suppress the higher types of initiative. By raising the average level, it would indeed raise the standard of the exceptional, and would assign to the man of genius—whether his exceptional power lay in discovery or in administration—the necessary field of action

which would benefit the community to the utmost, and at the same time give him the maximum of satisfaction.

It is sometimes said that a man cannot express individual initiative unless he can dominate the life and labour of other men, but this is true only under a profit-seeking régime, wherein the success of one man in any line of activity is conditioned by the suppression and defeat of his rivals. Under a sane order of society the success of an individual will not take the form of domination over others, but rather of the development of individual ability in the public service.

For the formation of such a society, the problem is to work out a form of organisation in which personal initiative and the passion for production will be the chief constructive agents; a society in which work will not be felt as an irksome and compulsory duty, but as an essential element in a man's life, necessary for his own contentment and self-respect; a society in which the professional conscience will be a source of new economic and cultural activities, and will seek new fields for its realisation, new tasks to be accomplished, new problems to be solved to better and broaden the producing efficiency of the community and to satisfy its own adventurous and creative spirit, a society in which a new impulse, stimulated by a new responsibility,

will provide a motive force far more compelling than a mere sense of duty.

It may be noted that in sketching out this new departure for Socialism which alone offers any hope of a real economic revolution, we have, after all, recurred to the method of thought of Karl Marx, though the conclusion we arrive at differs substantially from his. His forecast of the course of the revolutionary process was founded on the technical and economic evolution of his day. He developed his fundamental ideas concerning the class war from the mentality of the workers forced by industrial concentration and factory conditions to fight and to organise for fighting.

So also this new phase of Socialism takes into account the new mentality of the workers resulting from the course of events since those early days of the industrial revolution when Karl Marx was thinking out his theories in the British Museum.

The three-quarters of a century that have intervened since that time have brought enormous changes. The capitalist system, then in its prime, is now in its decadence. Unless a young and vigorous successor is in training to take the helm, our civilisation is doomed. It is not fighting qualities that are now in demand, but constructive ability. Labour has conquered its rival and must be ready to take his place. The question of

questions is: How far have the ranks of Labour profited by those seventy years of more or less successful struggle? Are they prepared to embark on its new phase?

Can we reckon for the future on the new constructive mentality of Labour as Marx reckoned on the mentality of conflict? That new mentality which flashed on us before the war in the outburst of Syndicalism.

CHAPTER IX

HOW FAR CAN POLITICAL POWER FORWARD REVOLUTION?

Now that the Government of the country is nominally in socialist hands, it is high time for socialists to consider the extent to which Parliamentary power can, in the nature of things, bring about a new order of society.

Parliamentary Socialism—the creed that when once political power is captured by Socialism the millennium is in sight—is one that has a special appeal to a law-abiding Englishman with a traditional reverence for the Mother of Parliaments. It is a delusion that will die hard in this country and—paradoxical as this statement may appear—it is one that has been fortified by the teaching of Marx.

His basic idea that economic evolution is working automatically towards social transformation has been adopted, or rather adapted by Parliamentary socialists of the Fabian type, with the modification that the looked-for transformation is to be peaceful expropriation instead of bloody conflict.

The resulting policy is almost of the *laissez faire* type—concentration of industries, centralisation of capital in trusts and cartels, the growing political power of the proletariate, will lead slowly but inevitably to State Socialism. The Collectivist State is maturing within the womb of Capitalism.

The automatic process was to be quite independent of any constructional effort on the part of Labour. There was no question as to the aptitude of the workers to succeed to the directive function which was to be vacated by capital, because that function was to be undertaken and amply provided for by the mystic and all-powerful body "the State," which was endowed in the minds of its worshippers with a plenitude of unfailing skill, initiative and industry.

This profound belief in the magic influence of "power" is not, of course, peculiar to the reformists. It is shared by the believers in violent revolution, "the communists" (as we now call them by a tiresome misuse of language).

The two groups differ widely as to the method by which political power is to be captured, but both believe in its efficacy.

There is nothing so likely to shatter this belief as the spectacle of a Socialist Government actually at the head of the State.

This spectacle is now before us,[1] but it will be many months, perhaps years, before the object lesson can produce its full effect. There are so many considerations which can be

[1] June 1924.

insisted on to explain to willing minds the inability of a Socialist Cabinet to hasten the coming of a new social order. The slump in trade, the exceptionally chaotic condition of Europe, the timid inefficiency of the late Government, and above all the lack of a majority in the House of Commons—all these serve to mitigate the disappointment of the patient workers who have been assured for generations that if only they would do their duty—be stanch to the Unions and vote Labour—all good things would be added to them.

It is only when these supposed hindrances to the magic of a Socialist Government have one after another either disappeared or asserted their permanency that the truth will be forced home to the mass of the workers, whose votes have placed the Labour Party in power, that Ministers may be socialists, but that workers are still wage-slaves.

To put the same truth more formally: the status of Labour is not affected by a Socialist Government, but, on the other hand, the efficacy towards revolution of a Socialist Government depends entirely on the status of Labour.

As long as the workers have no higher aim than that of improving their material position by extorting higher wages, shorter hours and a share of disciplinary control from their masters, it is impossible for any Labour Government, however large may be the

proportion of socialists among its Ministers, to take any steps towards a true social revolution.

Just at present the one obvious duty of any Government is to encourage trade in order to absorb the unemployed. Each party has its own scheme for doing this, but the purpose of each is the same. Protection and subsidies are just as good in intention as friendly relations with Russia. The difference in this connection between Mr. Baldwin's Government and Mr. MacDonald's is one of intelligence, not of motive. Mr. MacDonald is just as much bound to do all he can to encourage capitalist production as Mr. Baldwin or Mr. Asquith would be, as long as there is no other system of production ready to replace Capitalism. Of course, if Mr. MacDonald were a believer in State Capitalism versus Private Capitalism, he could hasten the tendency towards nationalising industries, but there are plenty of reasons why it would be unsafe to do this, the most important being that by throwing certain powerful vested interests into fierce opposition he might provoke a catastrophic revolution, for which Labour is unprepared. But even if he could safely nationalise at the present time a few basic industries, such as coal and transport, there would be nothing distinctively socialist in such action. If an enlightened Liberal Government had been in power at the time of the Coal Commission, it would undoubtedly have accepted and acted on the

Sankey report, and would have, in so doing, taken a wisely conceived step towards the nationalisation of mining.

When the Liberals complain that the Labour Party have stolen their thunder, that there is no essential difference between a Labour and a Liberal policy, there is much truth in their complaint. The appropriate answer is not to deny the fact, but to point out that recent Liberal Governments have not been guided by Liberal principles. They have been too much under the sway of vested interests and too short-sighted in such matters as foreign policy and education, and that it was high time that moral sentiment and democracy should find a younger and more vigorous defender. For it has been as the defender of Democracy that the Liberal Party has stood in the past, and as long as Socialism has nothing further to offer than an enlightened Democracy, there is no real change of principle.

Is it true that Socialism has nothing further to offer? Let us consider the real meaning and content of the democratic ideal, which inspired the Liberal Party to uphold political liberty and free criticism.

"On what is Democracy founded? On the Individual and the State, the State being nothing but the General Will resulting from the Wills of the individuals composing it. Rousseau unmasked the fiction on which such a régime is based. Society in its political

aspect considers men, not as we know them in real practical life: workers, capitalists, landowners, etc., but as a type of man in the abstract, stripped of all concrete characteristics, the same in all ranks of life: the citizen. By means of this artifice it is possible to look on all men as having equal rights, whatever their social position. Their 'wills' are identical in value. It becomes a question of simple addition, and their total becomes law.

"It is over this undifferentiated crowd of men that the State establishes its despotism. It has divided in order to rule. By a singular paradox, it draws its justification from the disorganisation which it has itself created. For is it not perfectly clear that the citizen denuded of everything is helpless by himself? He is king, no doubt, but he's a feeble king. Solitary and banished, his power is justified by his feebleness. The function of the State is precisely to reduce to order this chaos of individuals: there is authority above because there is anarchy below.

"But between the individual and the State there is a mighty chasm which prevents direct communication. By way of needful intermediaries we find parties. Their rôle is to discover and express the Will of the people. They are the substitute for the citizen, they act for him and in place of him, and are his representatives.

"Such is the principle of Democracy: the citizen—to recur to our former metaphor—is

the puppet in a drama which is acted for him by other people. He can exercise his power only by delegating it, and he is forced to abdicate in favour of his delegates.

"It is this democratic principle of indirect action which we condemn as a corruption of human personality. The mechanism of representation takes for granted axiomatically that the citizen, as such, is without power. He is powerless because incompetent. And he is incompetent just because he is an abstract personage, detached from the real conditions of life, called upon to give an opinion, not on the problems which fall within his own ken and are the material of his own existence, but upon that collection of indefinite questions that are summed up in the vague expression 'the general interest,' about which he knows nothing. All he can do, therefore, is to provide himself with a competent substitute, and, paradoxically, it is incompetence that has to make choice of competence.

"The choice once made, he becomes absolutely inactive. He has delegated his power: he has nothing to do but wait. It is enforced idleness. The feeble king is also a 'fainéant.' No sense of responsibility, no thought of effort, no appeal to the living energy of the individual! Nothing or next to nothing: the act of casting a vote once in four years." [1]

[1] "Le Socialisme Ouvrier," H. Lagardelle, pp. 332–34. (translated by E. T.).

The watchword of democracy is individual freedom secured by representative government, but Socialism has found that freedom, so secured, is of little value to the bottom dog. It must be buttressed by organisation and based on function. The freedom demanded by the new Socialism is freedom for action, freedom for responsible service, freedom to reconstruct the work of the world.

The values secured by democracy and championed by the Liberal Party were negative; those that Socialism is fighting for are positive. What we demand is the right to give our full service to our fellow-men unhampered by the demands of profit-mongers, and we claim its just reward.

This freedom for function was a simple and natural characteristic of an earlier and simpler society, and this is why the new socialists are apt to figure as mediævalists. We should achieve it at once if any chance were to plunge us once more into simple conditions of life; such as those of a wrecked ship's company on an uninhabited island, when one man would fish for the rest, and another would shoot, while others were busy gathering firewood and building a shelter. It is only under the elaborate complications of modern civilisation, so called, that freedom for service becomes difficult of attainment.

Under modern industrialism it has been entirely lost, or rather it has been seized by a

favoured few, who have turned it to base uses, seeking not to serve, but to acquire, and have used their acquisitions to deprive their fellowmen of freedom to serve.

This nobler kind of freedom cannot be secured by representative government. It can be achieved only by the direct action of workers organised to obtain it. We come to the old paradox, "to him that hath shall be given." The initiative must come from the mass of the workers. A free society can be moulded only by free men. As long as the workers are satisfied to work in a capitalist cage, either private or public, a Labour Government can, of course, be quite useful in making the cage more comfortable and more secure, but it cannot, in the nature of things, embark on a revolutionary policy unless its supporters have themselves embarked on the work of creating the new economic structure.

The Liberal ideal, which is still, as we have pointed out, the ideal of many socialists, is an inheritance from the French Revolution, which was the apotheosis of political democracy.

The revolutionary thought of the French Revolution came from the educated classes, but the action came from the people. The merging of the two launched the revolution. The division between the intellectuals and the people was swept away in the spontaneous excitement and enthusiasm of its inception, but reappeared after the early excitement wore

off and when there was time to examine the content of the new social theories which had been launched.

It was too late then to change them, for they had already moulded institutions which created a new division of classes.

The revolutionary education of a whole people had to take place while events were hurrying on. Mistakes, hesitations and disillusionments were the result. The revolutionary culture of the people could not possibly keep pace with the rapid march of the revolution itself. There were signs of marvellous organising capacity and social instinct among the workers, but they lacked knowledge and experience to control the schemes of their leaders. The people showed emotional and temperamental maturity for a better social order, but it had not the intellectual means to realise it.

We are once more at a parting of the ways. A new revolution lies before us. It is still possible to make that revolution peaceful and durable, but it can only be so if the people —the workers themselves—have knowledge and experience, if they know not merely what they want, but how to get it. Elaborate schemes for a Guild State will not be of much use, nor even Acts of Parliament to facilitate them—unless the workers are inspired with zeal for production, unless they have learnt to demand, not pay, but responsibility.

Individual freedom secured by representative government is not of much use to a world of idleness and luxury on one hand, and slums on the other. Political freedom does not serve to house the homeless or feed the hungry or give work to the unemployed. The revolution that is now before us is not to obtain political power—nor power of any kind—but freedom to serve, freedom to produce. And since the purpose of revolution is no longer power, force is no longer the weapon.

Efficiency and organisation are the weapons, and above all, will and enterprise.

The coming revolution must be creative, not destructive.

The vast network of British Trade Unionism is ready to hand, the magnificent result of the toil and self-denial of our forefathers. All that is needed is that this vital instrument for progress should be inspired with the new spirit.

Labour once organised for production, instead of for fighting, the whole atmosphere of the Trade Union would, of course, undergo a change. The problems of political competition would be more or less crowded off the stage by more practical matters. There would be so much business to attend to, so many technical and administrative questions that must be dealt with at once, that there would be less time for political and party propaganda. The chief tie uniting members of a Union would be, not party interests, nor immediate

gains, but trade policy and professional sentiment. The revolutionary idea, the determination to drive the capitalist out of the field, would be closely connected with the everyday work of every member of the Union.

The mere political revolutionist is constitutionally incapable of conceiving the future, for he does not live in a movement continually creating the substance of the future. When the time of open conflict arrives, he will, therefore, be at a loss, or waiting for orders. But the economic revolutionist, who is daily rehearsing the social revolution in his daily work, will know his allotted place and his duties. Fully understanding the meaning and purpose of the revolution, he will be ready to oppose the meaningless or vindictive violence that has disgraced former revolutions.

He will have in the character and experience wrought by his own activity a criterion by which to control his own conduct and that of his fellows during the course of the revolution, and will carry over that same criterion into the future society.

In that society, where every member will have been trained in the thoughts and habits of production, every false step will be rejected, and the spirit of adventure, instead of expending itself in violence and sabotage, will be turned to its true use in making the earth a fit home for man.

CHAPTER X

CONCLUSION

We have been in the habit of dividing socialists into two groups—evolutionists and revolutionists: those who believe that the progress to a better social order must be gradual and constitutional, by means of encroaching control on the economic side accompanied by the gradual achievement of a majority for Labour in Parliament; and those who believe that power might, and should, be captured by violence.

Our purpose in the foregoing chapters has been to show that the evolutionists, the reformists, must recognise the need for revolution, not violent, not destructive, but creative. Just as in the life of the individual a period of slow, gradual development is succeeded by a moment of crisis, when entirely new powers come suddenly into play, dealing with entirely new conditions, so in the life of society the gradual development of years—perhaps of centuries—moves inevitably towards a break, more apparent, perhaps, than real, in the outward course of events.

Birth is not really sudden, it is merely the culminating moment of gestation, and the revolution we hope for cannot possibly take place except as the outcome of a long period of growth and development.

But there is a vast difference between physical life history and social history. The unborn child is not a free agent, and in no way responsible for the coming crisis. In the life history of mankind there enters that perplexing element of human will and character.

The crisis before us is by no means inevitable, but alternative. The economic condition of twentieth-century England may be a stage on the road to economic freedom, but it may, on the other hand, be a stage towards State Capitalism and bureaucratic wage slavery. The choice lies with the workers, or perhaps one ought rather to say with their organisations.

There seems for the moment to be no third alternative; for Labour appears to have succeeded in handicapping private Capitalism so severely in England that a time is within sight when we shall no longer be able to trust to the cleverness and enterprise of the profit-seeker to enable us to hold our own in world markets. Meanwhile the political progress of Labour has been, for a variety of obvious reasons, so unexpectedly rapid that a large measure of State Capitalism will certainly become a question of practical politics if

Labour continues to be content with its present status, and continues to concentrate its energies on the attempt to obtain better wages, shorter hours, and a larger share of benefit from taxation.

It is a moment when choice comes into play, a moment analogous to the one which occurs in most lives when a man chooses his profession. In this case the choice has to be made, not by a man, but by an organisation.

It is the most momentous choice that the Trade Unions have been called upon to take, but it is far from being the first. Since they came into existence they have from time to time deliberately taken on various new functions as need arose, and each function has tended to strengthen the vitality of the Union. It is no part of our purpose to consider how the new step would be taken—probably in a great variety of ways, for this is usually what happens in England. If interest in production and a spirit of enterprise are alive in the Unions, suggestions will be forthcoming. One very real danger is that they may emanate from the wrong quarter. There are plenty of capitalists who are astute enough to recognise that if private Capitalism is to weather the storm it must contrive to enlist the creative enterprise of Labour. It is the only device for saving individual Capitalism, and there are still plenty of sane, far-seeing men in the capitalist ranks

to realise this. A good instance of such a suggestion is embodied in a letter which appeared a few weeks ago in the *Spectator* under the heading " Conservative Policy " :—

" Sir,

" At the recent meeting of the Conservative Party it was strongly emphasised that a merely negative policy of anti-Socialism would not suffice, and that it was essential that the party programme should include well-thought-out and progressive measures of social reform. In no sphere is this more important than in industry, and more especially with reference to the relationships between Capital and Labour.

" There is an insistent demand on the part of the working classes for a better standard of living. This better standard is visioned to them in higher wages, but what it really means is that they want more of the goods of the world—more and better houses, furniture, clothes, boots, pictures, pianos, bicycles, etc. . . . Before, however, they can possess these goods, the goods must be produced, and the workers themselves must be one of the prime factors in their production. The other prime factor is capital, hence the folly of a capital levy; more capital is wanted, not less, for just think what it means. Thirty million people demanding a better standard of living. Thirty million people demanding goods that have

hitherto been produced for only fifteen million. It is obvious that before their wants can possibly be satisfied there must be an enormously increased production, and that until these goods are forthcoming nothing on earth can give them the better standard of living they desire.

"That we can produce a far greater amount of goods than we have done in the past the War has proved, and we can do it again, provided we have the capital. The essential thing is whole-hearted co-operation between Capital and Labour, and before this can be brought about Labour must be put in possession of all the facts. In the trade in which I am interested (pottery) we have taken a long step forward in this direction. The pottery trade was one of the first to appoint a Whitley Council, and I think everybody is agreed that the work it has done has been most valuable. The almost daily contact between employers and operatives on the various Committees has educated both sides in a way which amply justifies the hopes of those who have been responsible for initiating the Whitley Councils.

"There is one special feature of our Pottery Council which no other Council has so far adopted, and on which I lay particular stress, for in my opinion it is fundamental to the whole success of these Councils. Clause J of our Constitution reads as follows :—

> "'The collection of full statistics on wages, making and selling prices, and average percentages of profits on turnover, and on materials, markets, costs, etc., and the study and promotion of scientific and practical systems of costings to this end. All statistics shall, where necessary, be verified by Chartered Accountants, who shall make a statutory declaration as to secrecy prior to any investigation, and no particulars of individual firms or operatives shall be disclosed to anyone.'

"I attach the greatest importance to the disclosure of these facts. Let employers and employed know the facts, and they can be trusted to deal with them in a common-sense way. It is precisely because Labour at present does not know the facts, and because the only way of ascertaining what wages an industry can carry is by making periodical demands after the manner of the Income Tax collector, that friction arises. In truth, it is not possible to conceive a system, or want of system, better calculated to cause trouble and unrest. The first essential to a better understanding between Capital and Labour is that all the cards should be laid on the table, and all the facts known, and that can only be done when an industry is thoroughly organised and

employers and work-people belong to their respective organisations.

"The problem is, How to obtain such organisation of industry? The socialists propose to do away with the present slipshod and haphazard methods, and to bring order out of chaos, by the nationalisation of industry. That cure, destroying as it would all individual initiative, would be worse than the disease. There is, however, another way of procuring the desired organisation, through the development of the Whitley Council system. The Bill the Government has just introduced with reference to agriculture is a step in the right direction.

"The great weakness of the present Whitley Councils is the fact that they have no power to enforce their decisions, and unless they can obtain such powers there is grave danger of the whole movement, which has been so beneficial in so many ways, languishing, and eventually dying out.

"I have long advocated the legal organisation of industry into Cartels, making the industry the unit, not the individual business, such Cartels to be governed by a joint body of employers and employed on the lines of the Whitley Councils, but with statutory powers. These Cartels to control prices of everyday commodities right through to the ultimate consumer, but with full publicity as to the

average costs of production, profits, wages, etc., and to be co-ordinated in a Central Council, each industry being represented by an employer and an employee. The statistics required would be quite easy of ascertainment, and of great national importance, for then we should at least get the real facts to guide us. Every such Cartel should, therefore, furnish to the Board of Trade at the end of each six-monthly period a statement showing:—

"(1) The average gross profit on turnover, and the average net profit on turnover;

"(2) The average ratio of turnover to capital;

"(3) The average earnings per hour of skilled, semi-skilled, and unskilled labour.

"Cartels formed on these lines would have control of production, at the source, and, as I have said above, could regulate prices of everyday commodities to the ultimate consumer, by means of discount to the distributors, both wholesale and retail. Prices could thus be controlled, and the interests of the consumer protected.

"To-day there is a widespread belief that the middlemen are obtaining undue profits at the expense of both the producer and the consumer. There may be some truth in this. The system that I am suggesting would ensure fair play right through. There is nothing whatever impracticable about it, and it is a method which

has been in force for many years in the tobacco trade and others.

"The *Observer* of October 16, 1921, had a striking article on Hugo Stinnes and his work, from which it would appear that Germany has actually organised her industries on these lines. See the following extract :—

"'When the Socialists came into power they carefully investigated the practicability of nationalising German industries, for which they clamoured when they were in opposition. Now, however, that they were in power, they began to realise the practical difficulties were so tremendous that it was impossible to proceed along the lines they formerly advocated, and being, above all, practical men, they decided to alter their plans to meet the facts of the case. They therefore substituted the Plan Industry system, which is simply the logical completion of the system which gradually grew up before the War and received great impetus during the War. What the socialists did was to make Cartels compulsory, and insisted that on the council of such Cartel there should be equal representation of masters and men. In short, they combined the Whitley Council system with the German Cartel organisation, with astonishingly satisfactory results. In practice it has been found that the employers and employed thus brought together have realised their community of interests, and there has

been no serious conflict between the two parties. Over these Cartels was established a super-Cartel, called the Economic Council at Berlin, and it consists of representatives of the various Cartels. . . . Thus, on the one hand, a new solidarity is growing up in German industry, and the workman is learning that he has a personal interest in the success of his trade, while, on the other hand, Government interference is reduced to a kindly supervision. . . . This is the man (Stinnes) with whom the rest of the world must reckon. In the new struggle for supremacy he has given to Germany a G.H.Q. which is of inestimable advantage, and the Plan Industry system has enabled him to enlist the support of the actual workers in industries. Stinnes, in short, has realised that the changed world requires new methods in business. What is England doing to meet this business genius ?'

"The only way in which we can, in the long run, reduce prices is by reducing costs of production by the application of new technical methods, and these technical inventions can best be discovered and put into operation by the whole-hearted co-operation of employers and employed in industry. If industries were organised on the lines I have suggested above, tremendous impetus would be given to the discovery of new methods. No advantage would accrue to an industry by the obtaining

of a bigger average percentage of profit through high prices, for the average percentage of profit of the trade being practically limited through full publicity, the only way by which an individual manufacturer could improve his position would be: (*a*) by introducing new methods and processes which would cheapen his costs of production as against the average manufacturer, thus encouraging initiative and enterprise; (*b*) by improving his organisation and the quality of his goods, thereby increasing output and demand; or (*c*) by developing new markets, thus increasing turnover. To say nothing of the fact that an organised industry could carry out research work on a scale not possible for an individual firm.

"If the average percentage of profit in an industry exceeds what can be regarded as a reasonable figure, it would become a question as to whether the surplus profit should go to Labour in the shape of increased wages, or to the community in the shape of reduced prices. No agreement, therefore, between Capital and Labour in any industry for raising wages should become operative until ratified by the Central Council, which, being representative of all industries (employers and employed), and having all the data available in the various trades as regards wages for skilled, semi-skilled, and unskilled labour, would be in a position to give a just decision.

The real problem, which is not so much one of Capital and Labour, but of adjusting the claims between one set of producers and other sets of producers, will then clearly emerge, and become possible of adjustment on equitable lines.

"As regards Labour, there is a certain percentage (but it is only a small percentage) who when wages are high do less work. As a safeguard against this, I would suggest that if a worker systematically lost time, or did not obtain a reasonable production, he should be brought before a Joint Committee of the management and the workers, and if the case were proved against him that he should be put into a lower grade, when he would receive 20 per cent. less wages, the saving effected thereby going, not to the employer, but to the Trade Union Fund for unemployment, thus making the punishment fit the crime. If after a period of time, say three months, his work was satisfactory, then he should be reinstated in his former position and at his former wages.

"The tendency, therefore, under these conditions would be all in favour of lowering costs by increasing production, the workers' position improving not so much by an increase of money wages as by an increase in *real* wages, through lower prices of commodities brought about by cheaper production, the whole community gaining thereby.

"I submit, Sir, this is the true constructive answer to Socialism, and the Conservative Party would indeed be wise to give it, at least, their most careful consideration. During the last few years a great deal of propaganda has been done, and I believe the time to be ripe. The Association of Industrial Councils, indeed, have agreed upon a Bill conferring statutory powers (under proper safeguards) on Industrial Councils, and this Bill will probably come before Parliament in the course of the next few weeks. In our own trade we have gone nine-tenths of the way; all that is necessary now is that our Council should have the necessary powers, and that a Central Council should be set up.

"I am, Sir, etc.,
(Signed) "T. B. JOHNSTON.

"*The Bristol Pottery,*
"*Fishponds, Bristol.*" [1]

I have transcribed this very interesting letter in order to illustrate what has just been said, viz. that suggestions, if they are not forthcoming from the ranks of Labour, will not be wanting from the other side. Mr. Johnston's suggestion is practical and *à propos*. If accepted, it might lengthen the life of the Conservative Party. He has hit the nail on the head in insisting "that all the cards should

[1] *The Spectator*, April 12, 1924.

be laid on the table, and all the facts known," and again in his "Cartels," with a function very like those of the "Regulative Guilds," proposed by some Guildsmen for the purpose of stabilising price and quality throughout an industry.

So long as the desire and determination to increase and improve production remain a perquisite of the capitalists with finance at their backs, a social revolution is impossible. Even the intelligence and sympathy with Labour of an able Socialist Government serve only to strengthen the capitalist position.

Mr. Wheatley's Housing Bill, which is being discussed as I write (June 4, 1924), is a case in point. Houses had to be built. As soon as a clever, wideawake man with an inside knowledge of labour conditions found himself responsible for getting them built, he set to work to devise a workable scheme, and he was forced to employ private Capitalism, since there was no competent competitor in the field. We cannot wait until the Building Trade Unions have made up their minds to accept directly the responsibility of building and have discovered how to raise the necessary credit.

But supposing they had given their minds during the last ten years to the problems of production, instead of to questions of hours and wages and the tale of bricks, suppose they had organised for themselves a watertight and

financially sound Building Guild, instead of allowing amateur theorists to organise one for them, then Mr. Wheatley might have been able to bring in a very different Housing Bill.

As he quite rightly recognised, the business before him was to provide decent homes for the people, not to get rid of Capitalism in the building trades; there was no time for that. What he wanted for the moment was "to suspend the law of supply and demand in regard to house-building, and he wanted each section of the industry to pledge themselves that they would not take advantage of his launching this scheme to gain anything which they would not have gained if he had not launched it. The trade said that they were perfectly agreeable to enter into an arrangement of that kind, but they must have some protection against the manufacturers of building materials. They could not continue to give houses at the present prices unless the prices of materials were maintained at present prices. That seemed perfectly reasonable. He went to the building materials people and pointed out to them that they did not stand to gain by the policy of increasing prices every time the State went in for building operations.

"The result of that policy was to throttle the industry and bring about the ruin even of the manufacturers. It would be a much more profitable method to keep down prices and rely

upon an increased output for an increased income. He had to acknowledge that the building material manufacturers met him in a very generous manner, particularly the brick manufacturers. He had been driven to the conclusion during the past few weeks that in a period of scarcity, and where the State was trying to make terms, it would be much easier to deal with a 'ring' than to deal with unfettered private enterprise. The Associated Brick Manufacturers had given a pledge that they would keep down prices, and they had kept their word in the letter and the spirit. Large manufacturers assured him—and he had no reason to doubt it—that they had passed by orders which would have offered them ten shillings or twenty shillings a thousand more than they were selling them at to-day. But all over the country there were manufacturers who were not in the combine, and they took the orders which the combine, out of loyalty to the nation, refused. The result was that there was a temptation for members of the combine to get into that state of greater freedom where there was greater profit to be made.

"He had had an interview with these people this week, after he had drafted a Bill by which he would ask Parliament in a few days to give him drastic powers for dealing with profiteering in building materials. The brick manufacturers

had made what he regarded as a fairly generous offer. They were prepared to take the price of January 1924 as the basis of the price for future building under his housing scheme. They were also prepared to see it enacted by Act of Parliament that it should be an offence, or the basis of investigation of an offence, that a price was charged by any manufacturer higher than that charged in January 1924, unless he could prove that the increase was justified by reason of increased wages or similar cause. He did not think that the nation could get a more generous offer. It might be said that this closed the door against investigation for the period prior to January 1924. His reply to that was that he was not submitting proposals for changing the capitalist order of society, he was not submitting proposals to abolish private enterprise, or the profiteer. He was merely submitting proposals of a very limited character to protect his building scheme against being exploited by the manufacturers of building materials." [1]

What we want to draw attention to is the fact that this fine contribution of Mr. Wheatley's to a Labour Party policy is definitely anti-revolutionary. If it becomes law, without being too much mauled by a short-sighted Opposition, it will assuredly strengthen Capitalism. Mr. Wheatley, in his brilliant speech, frankly admitted this. "The proposals which he was submitting to the House were," he said, "real Capitalism, and an attempt to patch up, in the interests of humanity, a better capitalist-ordered society."

[1] Report of Mr. Wheatley's speech, *The Times*, June 4, 1924.

In other words, the Labour Party, fine as it is, is not doing, and cannot do, the work of Socialism; it is doing the work that would be done by an equally able and enlightened Liberal Party. It may be, and indeed is, work of vital importance, yet every such act of compromise not only tends to strengthen and consolidate the old system which we want to undermine, but tends also to destroy the creative impulse for the new.

This is the real danger of political power: immediate advantage may so easily—in a case like housing *must*—override revolutionary purpose. With a man so clear-headed and whole-hearted as Mr. Wheatley this is not serious. He will not forget that we are out to destroy the capitalist system, but with men of different calibre a long-continued and successful career of reform will inevitably sap revolutionary ardour. The dyer's hand will be subdued to what he works in.

The only safeguard is that the spirit of creative revolution should be kept alive in the ranks of the workers. The big crop of strikes since the Labour Party came into power

may be welcomed, in this connection, as a healthy sign. Unfortunately the strikes continue to be merely wage-strikes, but still they do serve to show the independence of the Trade Unions.

If only this fine spirit of independence can be inoculated with the creative impulse, if only the demand for better conditions can be transformed into a demand for responsibility and free production, political Socialism would soon fall into line; but a real socialist policy cannot be born in the House of Commons, though it might well be fostered there and educated.

A man must build his own character, his own career; the materials he has to build with are the acts of his everyday life. A poor-spirited man is overridden by events, but a man of courage and independence moulds events to suit a future he has conceived for himself. Every change in character is a change towards maturity; every change in circumstance is directed consciously towards the future. Each stage is a spring-board for a forward plunge. The successive creations of a man by himself remain unperceived by most men, but in the nobler lives they proceed along consciously chosen lines. The word conscious is perhaps a misfit, for the choice, though real, is often at the moment instinctive. Nevertheless it is true that the more firm of

purpose a man is, the more perfectly will he determine the structure of his future self.

All this is just as true of an organised community as of an individual. If it be inspired by a sentiment of independence and an ideal of untrammelled service, every outward event, every accident will be made to forward the coming of a new social order and simultaneously to fit the community for it.

The instinct of workmanship will take on more and more conscious forms, and will become the dominating tendency of the common life. The man who carries this consciousness realises more and more that it is the source of all lasting joy in life, and learns in time that it is also the connecting link between human nature and human society, and the impulse that dominates the growth of both.

This professional consciousness, this "arrogance" of the producer, is the seed that has to be sown, the driving-force that has to be recreated. An orginal human instinct, it has been starved almost out of existence by a long course of unhuman labour. Will it revive? If not, we may as well, like Mr. Wheatley, make the best of Capitalism. For this is the only road to revolution. Just as the individual is the embodiment of his past life, created by his own acts, so also in the life of Labour, deliverance can come only from creative action.

It used to be believed that social democracy

would lead to social revolution. Many socialists believe it still, but, for those who look below the surface, it has been disproved all along the line, first in one European country, then in another. Social democracy, with its millions of voting adherents, dare not insist unconditionally on its ideal. It has not power, and never will have power, to insist. Notwithstanding its legislative reforms and its able administration, nay, even in virtue of them, it is a menace to real progress if it deludes its followers with the idea that the work of revolution can be done for them, instead of by them.

There is always the danger, too, that social democracy may collapse with its own weight under the opposition it is bound to awaken in the serried ranks of privilege, and that upon the ruins military reaction will set up its rule.

We have only to look at Italy and at Russia to see how powerful and—in a sense—how efficient such a rule may be in bringing order out of chaos, and how easily the ordinary peace-loving citizen will accept, and be loyal to, any Government that can and will ensure protection at home and abroad, so that he may go about his business and his pleasure unmolested.

From the danger of such a fate, one thing, and one thing only, will save us—a change of outlook, of attitude, of mentality in our

producers. It is not the least use to awaken destructive passions in the working class; this will not call a halt to military preparations, but tend rather to hasten them. Political power cannot do much good—even a Labour Government has to build ironclads and strengthen the air service.

Militarism has become a passional force. Even the war has failed to shake the belief that militarism trains men for great achievements; that the individual soldier by the school of war is changed into a stronger man, more useful than before to society, the idealised type of manliness. Military discipline, to render masses of soldiers prompt and precise as a machine-gun, has come to be regarded as the highest achievement of efficiency. Autocratic rule on the one side, mute servility on the other, make up the valour of nations.

In opposition to this it is up to us to erect another ideal, an ideal of communal service and of the responsibilities, the privileges and the rights of service, an ideal of freedom—not merely political freedom, the right to vote, but economic freedom, the right to do the work of the world in our own way.

The stormy revolution that lies before us is the clash between these two ideals: The ideal of passive obedience insured in the last resort by an appeal to force, on the one hand; and, on the other, the creative ideal which would

co-ordinate the work of each individual to communal creative effort.

Under militarism the sense of humanity in the individual is effaced. He must be prepared to kill at the order of his officers. In creative work the elements of humanity are strengthened; the enthusiasm of the leaders is caught by the workers. Read the stories of the great struggles of man with nature. "In America, even the Mexicans and Indians, notorious for their indifference, lost their stolidity, and worked with a vigour that at times seemed to amount to frenzy, when the Colorado river made its last attempt to shake off the harness put on it by man." [1]

It is in the service of mankind that man's virtues are brought out, his strength trained for achievement, not in exchange for rewards, but for the satisfaction of having co-operated in creation.

The creative passions of man must be enlisted for the coming battle. These alone have the power both to construct and to destroy, but the constructive impulse is the stronger: destruction is but an incident of creation.

[1] U.S. Report.

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